

SECOND REGULAR SESSION  
[ P E R F E C T E D ]  
SENATE SUBSTITUTE NO. 2 FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILLS NOS. 617, 611 & 667**  
99TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR EIGEL.

Offered March 28, 2018.

Senate Substitute No. 2 adopted, March 28, 2018.

Taken up for Perfection March 28, 2018. Bill declared Perfected and Ordered Printed, as amended.

ADRIANE D. CROUSE, Secretary.

4085S.22P

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**AN ACT**

To repeal sections 32.087, 32.200, 66.601, 66.620, 67.395, 67.525, 67.571, 67.576, 67.578, 67.581, 67.582, 67.583, 67.584, 67.712, 67.713, 67.729, 67.737, 67.738, 67.745, 67.782, 67.799, 67.997, 67.1300, 67.1303, 67.1305, 67.1545, 67.1712, 67.1713, 67.1775, 67.1959, 67.1971, 67.2000, 67.2030, 67.2525, 67.2530, 94.578, 94.605, 94.660, 94.705, 142.803, 143.011, 143.071, 143.151, 143.161, 143.171, 143.183, 143.431, 143.451, 143.461, 143.471, 144.010, 144.011, 144.014, 144.020, 144.030, 144.032, 144.043, 144.049, 144.054, 144.060, 144.069, 144.080, 144.083, 144.100, 144.140, 144.190, 144.210, 144.285, 144.517, 144.526, 144.600, 144.605, 144.655, 144.759, 144.761, 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, 144.1015, 184.845, 221.407, 238.235, 238.410, 620.1350, and 644.032, RSMo, and to enact in lieu thereof ninety-five new sections relating to taxation, with penalty provisions, an effective date for certain sections, and a contingent effective date for certain sections.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 32.087, 32.200, 66.601, 66.620, 67.395, 67.525, 67.571,  
2 67.576, 67.578, 67.581, 67.582, 67.583, 67.584, 67.712, 67.713, 67.729, 67.737,  
3 67.738, 67.745, 67.782, 67.799, 67.997, 67.1300, 67.1303, 67.1305, 67.1545,  
4 67.1712, 67.1713, 67.1775, 67.1959, 67.1971, 67.2000, 67.2030, 67.2525, 67.2530,  
5 94.578, 94.605, 94.660, 94.705, 142.803, 143.011, 143.071, 143.151, 143.161,  
6 143.171, 143.183, 143.431, 143.451, 143.461, 143.471, 144.010, 144.011, 144.014,

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

7 144.020, 144.030, 144.032, 144.043, 144.049, 144.054, 144.060, 144.069, 144.080,  
8 144.083, 144.100, 144.140, 144.190, 144.210, 144.285, 144.517, 144.526, 144.600,  
9 144.605, 144.655, 144.759, 144.761, 144.1000, 144.1003, 144.1006, 144.1009,  
10 144.1012, 144.1015, 184.845, 221.407, 238.235, 238.410, 620.1350, and 644.032,  
11 RSMo, are repealed and ninety-five new sections enacted in lieu thereof, to be  
12 known as sections 32.070, 32.086, 32.087, 32.200, 66.620, 67.395, 67.525, 67.571,  
13 67.576, 67.578, 67.581, 67.582, 67.583, 67.584, 67.712, 67.713, 67.729, 67.737,  
14 67.738, 67.745, 67.782, 67.799, 67.997, 67.1300, 67.1303, 67.1305, 67.1545,  
15 67.1712, 67.1775, 67.1959, 67.2000, 67.2030, 67.2525, 67.2530, 94.578, 94.605,  
16 94.660, 94.705, 142.803, 143.011, 143.071, 143.151, 143.161, 143.171, 143.177,  
17 143.183, 143.431, 143.451, 143.455, 143.461, 143.471, 144.010, 144.011, 144.014,  
18 144.020, 144.022, 144.030, 144.032, 144.049, 144.054, 144.060, 144.079, 144.080,  
19 144.082, 144.083, 144.084, 144.100, 144.105, 144.109, 144.110, 144.111, 144.112,  
20 144.113, 144.114, 144.123, 144.124, 144.125, 144.140, 144.190, 144.210, 144.212,  
21 144.285, 144.526, 144.600, 144.612, 144.655, 144.759, 144.761, 148.622, 184.845,  
22 221.407, 238.235, 238.410, 620.1350, and 644.032, to read as follows:

**32.070. 1. The director of the department of revenue shall enter  
2 into the streamlined sales and use tax agreement with one or more  
3 states to simplify and modernize sales and use tax administration in  
4 order to substantially reduce the burden of tax compliance for all  
5 sellers and for all types of commerce. In furtherance of the streamlined  
6 sales and use tax agreement, the director of the department of revenue  
7 may act jointly with other states that are members of the streamlined  
8 sales and use tax agreement to establish standards for certification of  
9 a certified service provider and certified automated system and  
10 establish performance standards for multistate sellers.**

**2. The director of the department of revenue may take other  
12 action reasonably required to implement the provisions set forth in the  
13 streamlined sales and use tax agreement, including, but not limited to,  
14 the promulgation of rules and the joint procurement, with other  
15 member states, of goods and services in furtherance of the streamlined  
16 sales and use tax agreement.**

**3. For the purposes of representing the state as a member of the  
18 agreement and, if necessary, amending the agreement, the state shall  
19 be represented by four delegates, one of whom shall be appointed by  
20 the governor, one shall be a member of the general assembly appointed**

21 by the president pro tempore of the senate, one shall be a member of  
22 the general assembly appointed by the speaker of the house of  
23 representatives, with the director of the department of revenue or the  
24 director's designee as the fourth delegate. The delegates shall  
25 recommend to the committees responsible for reviewing tax issues in  
26 the senate and the house of representatives each year any amendment  
27 of state statutes required to be substantially in compliance with the  
28 agreement. Such delegates shall make a written report by the fifteenth  
29 day of January each year regarding the status of the agreement.

30 4. The department of revenue shall promulgate rules necessary  
31 to implement the provisions of the streamlined sales and use tax  
32 agreement. Any rule or portion of a rule, as that term is defined in  
33 section 536.010 that is created under the authority delegated in this  
34 section shall become effective only if it complies with and is subject to  
35 all of the provisions of chapter 536, and, if applicable, section  
36 536.028. This section and chapter 536 are nonseverable and if any of  
37 the powers vested with the general assembly pursuant to chapter 536,  
38 to review, to delay the effective date, or to disapprove and annul a rule  
39 are subsequently held unconstitutional, then the grant of rulemaking  
40 authority and any rule proposed or adopted after August 28, 2018, shall  
41 be invalid and void.

32.086. Notwithstanding any other provision of law, for all local  
2 sales and use taxes collected by the department and remitted to a  
3 political jurisdiction or taxing district, the department shall remit one  
4 percent of the amount collected to the general revenue fund to offset  
5 the cost of collection, unless a greater amount is specified in the local  
6 sales and use tax law. The department shall not commingle the  
7 remaining amounts collected with general revenues and shall remit the  
8 remaining amounts collected to the political jurisdiction or taxing  
9 district less any credits for erroneous payments, overpayments, and  
10 dishonored checks.

32.087. 1. Within ten days after the adoption of any ordinance or order  
2 in favor of adoption of any local sales tax authorized under the local sales tax law  
3 by the voters of a taxing entity, the governing body or official of such taxing  
4 entity shall forward to the director of revenue by United States registered mail  
5 or certified mail a certified copy of the ordinance or order. [The ordinance or

6 order shall reflect the effective date thereof.]

7           2. Any local sales tax so adopted shall become effective [on the first day  
8 of the second calendar quarter after the director of revenue receives notice of  
9 adoption of the local sales tax, except] as provided in subsection [18] 19 of this  
10 section, and shall be imposed on all transactions on which the Missouri state  
11 sales tax is imposed.

12           3. Every retailer within the jurisdiction of one or more taxing entities  
13 which has imposed one or more local sales taxes under the local sales tax law  
14 shall add all taxes so imposed along with the tax imposed by the sales tax law of  
15 the state of Missouri to the sale price and, when added, the combined tax shall  
16 constitute a part of the price, and shall be a debt of the purchaser to the retailer  
17 until paid, and shall be recoverable at law in the same manner as the purchase  
18 price. The combined rate of the state sales tax and all local sales taxes shall be  
19 the sum of the rates, multiplying the combined rate times the amount of the sale.

20           4. [The brackets required to be established by the director of revenue  
21 under the provisions of section 144.285 shall be based upon the sum of the  
22 combined rate of the state sales tax and all local sales taxes imposed under the  
23 provisions of the local sales tax law.

24           5.] (1) The ordinance or order imposing a local sales tax under the local  
25 sales tax law shall impose a tax upon all transactions upon which the Missouri  
26 state sales tax is imposed to the extent and in the manner provided in [sections  
27 144.010 to 144.525] **chapter 144**, and the rules and regulations of the director  
28 of revenue issued pursuant thereto]; except that the rate of the tax shall be the  
29 sum of the combined rate of the state sales tax or state highway use tax and all  
30 local sales taxes imposed under the provisions of the local sales tax law].

31           (2) Notwithstanding any other provision of law to the contrary, local  
32 taxing jurisdictions, except those in which voters have approved a local use tax  
33 under section 144.757, shall have placed on the ballot on or after the general  
34 election in November 2014, but no later than the general election in November  
35 2018, whether to repeal application of the local sales tax to the titling of motor  
36 vehicles, trailers, boats, and outboard motors that are subject to state sales tax  
37 under section 144.020 and purchased from a source other than a licensed  
38 Missouri dealer. The ballot question presented to the local voters shall contain  
39 substantially the following language:

40           Shall the \_\_\_\_\_ (local jurisdiction's name) discontinue applying  
41           and collecting the local sales tax on the titling of motor vehicles,

42 trailers, boats, and outboard motors that were purchased from a  
43 source other than a licensed Missouri dealer?

44 Approval of this measure will result in a reduction of local revenue  
45 to provide for vital services for \_\_\_\_\_ (local jurisdiction's name)  
46 and it will place Missouri dealers of motor vehicles, outboard  
47 motors, boats, and trailers at a competitive disadvantage to  
48 non-Missouri dealers of motor vehicles, outboard motors, boats, and  
49 trailers.

50  YES  NO

51 If you are in favor of the question, place an "X" in the box opposite  
52 "YES". If you are opposed to the question, place an "X" in the box  
53 opposite "NO".

54 (3) If the ballot question set forth in subdivision (2) of this subsection  
55 receives a majority of the votes cast in favor of the proposal, or if the local taxing  
56 jurisdiction fails to place the ballot question before the voters on or before the  
57 general election in November 2018, the local taxing jurisdiction shall cease  
58 applying the local sales tax to the titling of motor vehicles, trailers, boats, and  
59 outboard motors that were purchased from a source other than a licensed  
60 Missouri dealer.

61 (4) In addition to the requirement that the ballot question set forth in  
62 subdivision (2) of this subsection be placed before the voters, the governing body  
63 of any local taxing jurisdiction that had previously imposed a local use tax on the  
64 use of motor vehicles, trailers, boats, and outboard motors may, at any time, place  
65 a proposal on the ballot at any election to repeal application of the local sales tax  
66 to the titling of motor vehicles, trailers, boats, and outboard motors purchased  
67 from a source other than a licensed Missouri dealer. If a majority of the votes  
68 cast by the registered voters voting thereon are in favor of the proposal to repeal  
69 application of the local sales tax to such titling, then the local sales tax shall no  
70 longer be applied to the titling of motor vehicles, trailers, boats, and outboard  
71 motors purchased from a source other than a licensed Missouri dealer. If a  
72 majority of the votes cast by the registered voters voting thereon are opposed to  
73 the proposal to repeal application of the local sales tax to such titling, such  
74 application shall remain in effect.

75 (5) In addition to the requirement that the ballot question set forth in  
76 subdivision (2) of this subsection be placed before the voters on or after the  
77 general election in November 2014, and on or before the general election in

78 November 2018, whenever the governing body of any local taxing jurisdiction  
79 imposing a local sales tax on the sale of motor vehicles, trailers, boats, and  
80 outboard motors receives a petition, signed by fifteen percent of the registered  
81 voters of such jurisdiction voting in the last gubernatorial election, and calling  
82 for a proposal to be placed on the ballot at any election to repeal application of  
83 the local sales tax to the titling of motor vehicles, trailers, boats, and outboard  
84 motors purchased from a source other than a licensed Missouri dealer, the  
85 governing body shall submit to the voters of such jurisdiction a proposal to repeal  
86 application of the local sales tax to such titling. If a majority of the votes cast by  
87 the registered voters voting thereon are in favor of the proposal to repeal  
88 application of the local sales tax to such titling, then the local sales tax shall no  
89 longer be applied to the titling of motor vehicles, trailers, boats, and outboard  
90 motors purchased from a source other than a licensed Missouri dealer. If a  
91 majority of the votes cast by the registered voters voting thereon are opposed to  
92 the proposal to repeal application of the local sales tax to such titling, such  
93 application shall remain in effect.

94 (6) Nothing in this subsection shall be construed to authorize the voters  
95 of any jurisdiction to repeal application of any state sales or use tax.

96 (7) If any local sales tax on the titling of motor vehicles, trailers, boats,  
97 and outboard motors purchased from a source other than a licensed Missouri  
98 dealer is repealed, such repeal shall take effect [on the first day of the second  
99 calendar quarter after the election] **as provided in subsection 19 of this**  
100 **section.** If any local sales tax on the titling of motor vehicles, trailers, boats,  
101 and outboard motors purchased from a source other than a licensed Missouri  
102 dealer is required to cease to be applied or collected due to failure of a local  
103 taxing jurisdiction to hold an election pursuant to subdivision (2) of this  
104 subsection, such cessation shall take effect on March 1, 2019.

105 (8) Notwithstanding any provision of law to the contrary, if any local sales  
106 tax on the titling of motor vehicles, trailers, boats, and outboard motors  
107 purchased from a source other than a licensed Missouri dealer is repealed after  
108 the general election in November 2014, or if the taxing jurisdiction failed to  
109 present the ballot to the voters at a general election on or before November 2018,  
110 then the governing body of such taxing jurisdiction may, at any election  
111 subsequent to the repeal or after the general election in November 2018, if the  
112 jurisdiction failed to present the ballot to the voters, place before the voters the  
113 issue of imposing a sales tax on the titling of motor vehicles, trailers, boats, and

114 outboard motors that are subject to state sales tax under section 144.020 that  
115 were purchased from a source other than a licensed Missouri dealer. The ballot  
116 question presented to the local voters shall contain substantially the following  
117 language:

118        Shall the \_\_\_\_\_ (local jurisdiction's name) apply and collect the  
119        local sales tax on the titling of motor vehicles, trailers, boats, and  
120        outboard motors that are subject to state sales tax under section  
121        144.020 and purchased from a source other than a licensed  
122        Missouri dealer?

123        Approval of this measure will result in an increase of local revenue  
124        to provide for vital services for \_\_\_\_\_ (local jurisdiction's name),  
125        and it will remove a competitive advantage that non-Missouri  
126        dealers of motor vehicles, outboard motors, boats, and trailers have  
127        over Missouri dealers of motor vehicles, outboard motors, boats,  
128        and trailers.

129                             YES                             NO

130        If you are in favor of the question, place an "X" in the box opposite  
131        "YES". If you are opposed to the question, place an "X" in the box  
132        opposite "NO".

133        (9) If any local sales tax on the titling of motor vehicles, trailers, boats,  
134        and outboard motors purchased from a source other than a licensed Missouri  
135        dealer is adopted, such tax shall take effect and be imposed [on the first day of  
136        the second calendar quarter after the election] **as provided in subsection 19**  
137        **of this section.**

138        [6.] **5.** On and after the effective date of any local sales tax imposed  
139        under the provisions of the local sales tax law, the director of revenue shall  
140        perform all functions incident to the administration, collection, enforcement, and  
141        operation of the tax, and the director of revenue shall collect in addition to the  
142        sales tax for the state of Missouri all additional local sales taxes authorized under  
143        the authority of the local sales tax law. All local sales taxes imposed under the  
144        local sales tax law together with all taxes imposed under the sales tax law of the  
145        state of Missouri shall be collected together and reported upon such forms and  
146        under such administrative rules and regulations as may be prescribed by the  
147        director of revenue.

148        [7.] **6.** All applicable provisions contained in sections 144.010 to 144.525  
149        governing the state sales tax and section 32.057, the uniform confidentiality

150 provision, shall apply to the collection of any local sales tax imposed under the  
151 local sales tax law except as modified by the local sales tax law.

152 [8.] 7. All exemptions granted to agencies of government, organizations,  
153 persons and to the sale of certain articles and items of tangible personal property  
154 and taxable services under the provisions of sections 144.010 to 144.525, as these  
155 sections now read and as they may hereafter be amended, it being the intent of  
156 this general assembly to ensure that the same sales tax exemptions granted from  
157 the state sales tax law also be granted under the local sales tax law, are hereby  
158 made applicable to the imposition and collection of all local sales taxes imposed  
159 under the local sales tax law.

160 [9.] 8. The same sales tax permit, exemption certificate and retail  
161 certificate required by sections 144.010 to 144.525 for the administration and  
162 collection of the state sales tax shall satisfy the requirements of the local sales  
163 tax law, and no additional permit or exemption certificate or retail certificate  
164 shall be required; except that the director of revenue may prescribe a form of  
165 exemption certificate for an exemption from any local sales tax imposed by the  
166 local sales tax law.

167 [10.] 9. All discounts allowed the retailer under the provisions of the  
168 state sales tax law for the collection of and for payment of taxes under the  
169 provisions of the state sales tax law are hereby allowed and made applicable to  
170 any local sales tax collected under the provisions of the local sales tax law.

171 [11.] 10. The penalties provided in section 32.057 and sections 144.010  
172 to 144.525 for a violation of the provisions of those sections are hereby made  
173 applicable to violations of the provisions of the local sales tax law.

174 [12. (1)] 11. For the purposes of any local sales tax imposed by an  
175 ordinance or order under the local sales tax law, all sales[, except the sale of  
176 motor vehicles, trailers, boats, and outboard motors required to be titled under  
177 the laws of the state of Missouri, shall be deemed to be consummated at the place  
178 of business of the retailer unless the tangible personal property sold is delivered  
179 by the retailer or his agent to an out-of-state destination. In the event a retailer  
180 has more than one place of business in this state which participates in the sale,  
181 the sale shall be deemed to be consummated at the place of business of the  
182 retailer where the initial order for the tangible personal property is taken, even  
183 though the order must be forwarded elsewhere for acceptance, approval of credit,  
184 shipment or billing. A sale by a retailer's agent or employee shall be deemed to  
185 be consummated at the place of business from which he works.

186 (2) For the purposes of any local sales tax imposed by an ordinance or  
187 order under the local sales tax law, the sales tax upon the titling of all motor  
188 vehicles, trailers, boats, and outboard motors shall be imposed at the rate in  
189 effect at the location of the residence of the purchaser, and remitted to that local  
190 taxing entity, and not at the place of business of the retailer, or the place of  
191 business from which the retailer's agent or employee works.

192 (3) For the purposes of any local tax imposed by an ordinance or under the  
193 local sales tax law on charges for mobile telecommunications services, all taxes  
194 of mobile telecommunications service shall be imposed as provided in the Mobile  
195 Telecommunications Sourcing Act, 4 U.S.C. Sections 116 through 124, as  
196 amended] **shall be sourced as provided by sections 144.111 to 144.114.**

197 [13.] **12.** Local sales taxes shall not be imposed on the seller of motor  
198 vehicles, trailers, boats, and outboard motors required to be titled under the laws  
199 of the state of Missouri, but shall be collected from the purchaser by the director  
200 of revenue at the time application is made for a certificate of title, if the address  
201 of the applicant is within a taxing entity imposing a local sales tax under the  
202 local sales tax law.

203 [14.] **13.** The director of revenue and any of his deputies, assistants and  
204 employees who have any duties or responsibilities in connection with the  
205 collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting,  
206 or recording of funds which come into the hands of the director of revenue under  
207 the provisions of the local sales tax law shall enter a surety bond or bonds  
208 payable to any and all taxing entities in whose behalf such funds have been  
209 collected under the local sales tax law in the amount of one hundred thousand  
210 dollars for each such tax; but the director of revenue may enter into a blanket  
211 bond covering himself and all such deputies, assistants and employees. The cost  
212 of any premium for such bonds shall be paid by the director of revenue from the  
213 share of the collections under the sales tax law retained by the director of  
214 revenue for the benefit of the state.

215 [15.] **14.** The director of revenue shall annually report on his  
216 management of each trust fund which is created under the local sales tax law and  
217 administration of each local sales tax imposed under the local sales tax law. He  
218 shall provide each taxing entity imposing one or more local sales taxes authorized  
219 by the local sales tax law with a detailed accounting of the source of all funds  
220 received by him for the taxing entity. Notwithstanding any other provisions of  
221 law, the state auditor shall annually audit each trust fund. A copy of the

222 director's report and annual audit shall be forwarded to each taxing entity  
223 imposing one or more local sales taxes.

224 [16.] 15. Within the boundaries of any taxing entity where one or more  
225 local sales taxes have been imposed, if any person is delinquent in the payment  
226 of the amount required to be paid by him under the local sales tax law or in the  
227 event a determination has been made against him for taxes and penalty under  
228 the local sales tax law, the limitation for bringing suit for the collection of the  
229 delinquent tax and penalty shall be the same as that provided in sections 144.010  
230 to 144.525. Where the director of revenue has determined that suit must be filed  
231 against any person for the collection of delinquent taxes due the state under the  
232 state sales tax law, and where such person is also delinquent in payment of taxes  
233 under the local sales tax law, the director of revenue shall notify the taxing entity  
234 in the event any person fails or refuses to pay the amount of any local sales tax  
235 due so that appropriate action may be taken by the taxing entity.

236 [17.] 16. Where property is seized by the director of revenue under the  
237 provisions of any law authorizing seizure of the property of a taxpayer who is  
238 delinquent in payment of the tax imposed by the state sales tax law, and where  
239 such taxpayer is also delinquent in payment of any tax imposed by the local sales  
240 tax law, the director of revenue shall permit the taxing entity to join in any sale  
241 of property to pay the delinquent taxes and penalties due the state and to the  
242 taxing entity under the local sales tax law. The proceeds from such sale shall  
243 first be applied to all sums due the state, and the remainder, if any, shall be  
244 applied to all sums due such taxing entity.

245 [18.] 17. If a local sales tax has been in effect for at least one year under  
246 the provisions of the local sales tax law and voters approve reimposition of the  
247 same local sales tax at the same rate at an election as provided for in the local  
248 sales tax law prior to the date such tax is due to expire, the tax [so] reimposed  
249 shall become effective [the first day of the first calendar quarter after the director  
250 receives a certified copy of the ordinance, order or resolution accompanied by a  
251 map clearly showing the boundaries thereof and the results of such election,  
252 provided that such ordinance, order or resolution and all necessary accompanying  
253 materials are received by the director at least thirty days prior to the expiration  
254 of such tax. Any administrative cost or expense incurred by the state as a result  
255 of the provisions of this subsection shall be paid by the city or county reimposing  
256 such tax] as provided by subsection 19 of this section.

257 18. If the boundaries of a city in which a sales tax has been

258 imposed shall thereafter be changed or altered, the city clerk shall  
259 forward to the director of revenue by United States registered mail or  
260 certified mail a certified copy of the ordinance adding or detaching  
261 territory from the city within ten days of adoption of the  
262 ordinance. The ordinance shall reflect the effective date of the  
263 ordinance and shall be accompanied by a map of the city clearly  
264 showing the territory added or detached from the city  
265 boundaries. Upon receipt of the ordinance and map, the tax imposed  
266 under the local sales tax law shall be effective in the added territory or  
267 abolished in the detached territory on the first day of a calendar  
268 quarter after one hundred twenty days' notice to sellers.

269       19. (1) The effective date for the imposition, repeal, or rate  
270 change of each local sales and use tax is the first day of the calendar  
271 quarter after a minimum of one hundred twenty days' notice to sellers.  
272 In all cases where notice is required to be made to the director of  
273 revenue by a local taxing jurisdiction, such notice shall be made at  
274 least one hundred twenty days prior to the effective date for the  
275 imposition, repeal, or rate change of a local sales and use tax.

276       (2) The effective date for any local jurisdiction boundary change  
277 for sales and use tax purposes is the first day of the calendar quarter  
278 after a minimum of one hundred twenty days' notice to sellers.

32.200. The "Multistate Tax Compact" is hereby enacted into law and  
2 entered into with all jurisdictions legally joining therein, in the form  
3 substantially as follows:

#### 4                                   MULTISTATE TAX COMPACT

##### 5                                   Article I

6           The purposes of this compact are to:

- 7           1. Facilitate proper determination of state and local tax liability of  
8 multistate taxpayers, including the equitable apportionment of tax bases and  
9 settlement of apportionment disputes.
- 10          2. Promote uniformity or compatibility in significant components of tax  
11 systems.
- 12          3. Facilitate taxpayer convenience and compliance in the filing of tax  
13 returns and in other phases of tax administration.
- 14          4. Avoid duplicative taxation.

##### 15                                   Article II

16 As used in this compact:

17 1. "State" means a state of the United States, the District of Columbia,  
18 the Commonwealth of Puerto Rico, or any territory or possession of the United  
19 States.

20 2. "Subdivision" means any governmental unit or special district of a  
21 state.

22 3. "Taxpayer" means any corporation, partnership, firm, association,  
23 governmental unit or agency or person acting as a business entity in more than  
24 one state.

25 4. "Income tax" means a tax imposed on or measured by net income  
26 including any tax imposed on or measured by an amount arrived at by deducting  
27 expenses from gross income, one or more forms of which expenses are not  
28 specifically and directly related to particular transactions.

29 5. "Capital stock tax" means a tax measured in any way by the capital of  
30 a corporation considered in its entirety.

31 6. "Gross receipts tax" means a tax, other than a sales tax, which is  
32 imposed on or measured by the gross volume of business, in terms of gross  
33 receipts or in other terms, and in the determination of which no deduction is  
34 allowed which would constitute the tax an income tax.

35 7. "Sales tax" means a tax imposed with respect to the transfer for a  
36 consideration of ownership, possession or custody of tangible personal property  
37 or the rendering of services measured by the price of the tangible personal  
38 property transferred or services rendered and which is required by state or local  
39 law to be separately stated from the sales price by the seller, or which is  
40 customarily separately stated from the sales price, but does not include a tax  
41 imposed exclusively on the sale of a specifically identified commodity or article  
42 or class of commodities or articles.

43 8. "Use tax" means a nonrecurring tax, other than a sales tax, which

44 (a) is imposed on or with respect to the exercise or enjoyment of any right  
45 or power over tangible personal property incident to the ownership, possession or  
46 custody of that property or the leasing of that property from another including  
47 any consumption, keeping, retention, or other use of tangible personal property;  
48 and

49 (b) is complementary to a sales tax.

50 9. "Tax" means an income tax, capital stock tax, gross receipts tax, sales  
51 tax, use tax, and any other tax which has a multistate impact, except that the

52 provisions of articles III, IV and V of this compact shall apply only to the taxes  
53 specifically designated therein and the provisions of article IX of this compact  
54 shall apply only in respect to determinations pursuant to article IV.

55 Article III

56 1. Any taxpayer subject to an income tax whose income is subject to  
57 apportionment and allocation for tax purposes pursuant to the laws of a party  
58 state or pursuant to the laws of subdivisions in two or more party states may  
59 elect to apportion and allocate his income in the manner provided by the laws of  
60 such state or by the laws of such states and subdivisions without reference to this  
61 compact, or may elect to apportion and allocate in accordance with article IV;  
62 **except that for tax years beginning on or after January 1, 2019, any**  
63 **taxpayer subject to the tax imposed by section 143.071 shall apportion**  
64 **and allocate in accordance with the provisions of Chapter 143 and shall**  
65 **not apportion or allocate in accordance with article IV.** This election for  
66 any tax year may be made in all party states or subdivisions thereof or in any one  
67 or more of the party states or subdivisions thereof without reference to the  
68 election made in the others. For the purposes of this paragraph, taxes imposed  
69 by subdivisions shall be considered separately from state taxes and the  
70 apportionment and allocation also may be applied to the entire tax base. In no  
71 instance wherein article IV is employed for all subdivisions of a state may the  
72 sum of all apportionments and allocations to subdivisions within a state be  
73 greater than the apportionment and allocation that would be assignable to that  
74 state if the apportionment or allocation were being made with respect to a state  
75 income tax.

76 2. Each party state or any subdivision thereof which imposes an income  
77 tax shall provide by law that any taxpayer required to file a return, whose only  
78 activities within the taxing jurisdiction consist of sales and do not include owning  
79 or renting real estate or tangible personal property, and whose dollar volume of  
80 gross sales made during the tax year within the state or subdivision, as the case  
81 may be, is not in excess of \$100,000 may elect to report and pay any tax due on  
82 the basis of a percentage of such volume, and shall adopt rates which shall  
83 produce a tax which reasonably approximates the tax otherwise due. The  
84 multistate tax commission, not more than once in five years, may adjust the  
85 \$100,000 figure in order to reflect such changes as may occur in the real value of  
86 the dollar, and such adjusted figure, upon adoption by the commission, shall  
87 replace the \$100,000 figure specifically provided herein. Each party state and

88 subdivision thereof may make the same election available to taxpayers additional  
89 to those specified in this paragraph.

90 3. Nothing in this article relates to the reporting or payment of any tax  
91 other than an income tax.

92 Article IV

93 1. As used in this article, unless the context otherwise requires:

94 (1) "Business income" means income arising from transactions and activity  
95 in the regular course of the taxpayer's trade or business and includes income from  
96 tangible and intangible property if the acquisition, management, and disposition  
97 of the property constitute integral parts of the taxpayer's regular trade or  
98 business operations.

99 (2) "Commercial domicile" means the principal place from which the trade  
100 or business of the taxpayer is directed or managed.

101 (3) "Compensation" means wages, salaries, commissions and any other  
102 form of remuneration paid to employees for personal services.

103 (4) "Financial organization" means any bank, trust company, savings  
104 bank, industrial bank, land bank, safe deposit company, private banker, savings  
105 and loan association, credit union, cooperative bank, small loan company, sales  
106 finance company, investment company, or any type of insurance company.

107 (5) "Nonbusiness income" means all income other than business income.

108 (6) "Public utility" means any business entity

109 (a) which owns or operates any plant, equipment, property, franchise, or  
110 license for the transmission of communications, transportation of goods or  
111 persons, except by pipeline, or the production, transmission, sale, delivery, or  
112 furnishing of electricity, water or steam; and

113 (b) whose rates of charges for goods or services have been established or  
114 approved by a federal, state or local government or governmental agency.

115 (7) "Sales" means all gross receipts of the taxpayer not allocated under  
116 paragraphs of this article.

117 (8) "State" means any state of the United States, the District of Columbia,  
118 the Commonwealth of Puerto Rico, any territory or possession of the United  
119 States, and any foreign country or political subdivision thereof.

120 (9) "This state" means the state in which the relevant tax return is filed  
121 or, in the case of application of this article, to the apportionment and allocation  
122 of income for local tax purposes, the subdivision or local taxing district in which  
123 the relevant tax return is filed.

124           2. Any taxpayer having income from business activity which is taxable  
125 both within and without this state, other than activity as a financial organization  
126 or public utility or the rendering of purely personal services by an individual,  
127 shall allocate and apportion his net income as provided in this article. If a  
128 taxpayer has income from business activity as a public utility but derives the  
129 greater percentage of his income from activities subject to this article, the  
130 taxpayer may elect to allocate and apportion his entire net income as provided in  
131 this article.

132           3. For purposes of allocation and apportionment of income under this  
133 article, a taxpayer is taxable in another state if

134           (1) in that state he is subject to a net income tax, a franchise tax  
135 measured by net income, a franchise tax for the privilege of doing business, or a  
136 corporate stock tax; or

137           (2) that state has jurisdiction to subject the taxpayer to a net income tax  
138 regardless of whether, in fact, the state does or does not.

139           4. Rents and royalties from real or tangible personal property, capital  
140 gains, interest, dividends or patent or copyright royalties, to the extent that they  
141 constitute nonbusiness income, shall be allocated as provided in paragraphs 5  
142 through 8 of this article.

143           5. (1) Net rents and royalties from real property located in this state are  
144 allocable to this state.

145           (2) Net rents and royalties from tangible personal property are allocable  
146 to this state:

147           (a) if and to the extent that the property is utilized in this state; or

148           (b) in their entirety if the taxpayer's commercial domicile is in this state  
149 and the taxpayer is not organized under the laws of or taxable in the state in  
150 which the property is utilized.

151           (3) The extent of utilization of tangible personal property in a state is  
152 determined by multiplying the rents and royalties by a fraction, the numerator  
153 of which is the number of days of physical location of the property in the state  
154 during the rental or royalty period in the taxable year and the denominator of  
155 which is the number of days of physical location of the property everywhere  
156 during all rental or royalty periods in the taxable year. If the physical location  
157 of the property during the rental or royalty period is unknown or unascertainable  
158 by the taxpayer, tangible personal property is utilized in the state in which the  
159 property was located at the time the rental or royalty payer obtained possession.

160           6. (1) Capital gains and losses from sales of real property located in this  
161 state are allocable to this state.

162           (2) Capital gains and losses from sales of tangible personal property are  
163 allocable to this state if

164           (a) the property had a situs in this state at the time of the sale; or

165           (b) the taxpayer's commercial domicile is in this state and the taxpayer  
166 is not taxable in the state in which the property had a situs.

167           (3) Capital gains and losses from sales of intangible personal property are  
168 allocable to this state if the taxpayer's commercial domicile is in this state.

169           7. Interest and dividends are allocable to this state if the taxpayer's  
170 commercial domicile is in this state.

171           8. (1) Patent and copyright royalties are allocable to this state:

172           (a) if and to the extent that the patent or copyright is utilized by the  
173 payer in this state; or

174           (b) if and to the extent that the patent copyright is utilized by the payer  
175 in a state in which the taxpayer is not taxable and the taxpayer's commercial  
176 domicile is in this state.

177           (2) A patent is utilized in a state to the extent that it is employed in  
178 production, fabrication, manufacturing, or other processing in the state or to the  
179 extent that a patented product is produced in the state. If the basis of receipts  
180 from patent royalties does not permit allocation to states or if the accounting  
181 procedures do not reflect states of utilization, the patent is utilized in the state  
182 in which the taxpayer's commercial domicile is located.

183           (3) A copyright is utilized in a state to the extent that printing or other  
184 publication originates in the state. If the basis of receipts from copyright  
185 royalties does not permit allocation to states or if the accounting procedures do  
186 not reflect states of utilization, the copyright is utilized in the state in which the  
187 taxpayer's commercial domicile is located.

188           9. All business income shall be apportioned to this state by multiplying  
189 the income by a fraction, the numerator of which is the property factor plus the  
190 payroll factor plus the sales factor, and the denominator of which is three.

191           10. The property factor is a fraction, the numerator of which is the  
192 average value of the taxpayer's real and tangible personal property owned or  
193 rented and used in this state during the tax period and the denominator of which  
194 is the average value of all the taxpayer's real and tangible personal property  
195 owned or rented and used during the tax period.

196 11. Property owned by the taxpayer is valued at its original  
197 cost. Property rented by the taxpayer is valued at eight times the net annual  
198 rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer  
199 less any annual rental rate received by the taxpayer from subrentals.

200 12. The average value of property shall be determined by averaging the  
201 values at the beginning and ending of the tax period but the tax administrator  
202 may require the averaging of monthly values during the tax period if reasonably  
203 required to reflect properly the average value of the taxpayer's property.

204 13. The payroll factor is a fraction, the numerator of which is the total  
205 amount paid in this state during the tax period by the taxpayer for compensation  
206 and the denominator of which is the total compensation paid everywhere during  
207 the tax period.

208 14. Compensation is paid in this state if:

209 (1) the individual's service is performed entirely within the state;

210 (2) the individual's service is performed both within and without the state,  
211 but the service performed without the state is incidental to the individual's  
212 service within the state; or

213 (3) some of the service is performed in the state; and

214 (a) the base of operations or, if there is no base of operations, the place  
215 from which the service is directed or controlled is in the state; or

216 (b) the base of operations or the place from which the service is directed  
217 or controlled is not in any state in which some part of the service is performed,  
218 but the individual's residence is in this state.

219 15. The sales factor is a fraction, the numerator of which is the total sales  
220 of the taxpayer in this state during the tax period, and the denominator of which  
221 is the total sales of the taxpayer everywhere during the tax period.

222 16. Sales of tangible personal property are in this state if:

223 (1) the property is delivered or shipped to a purchaser, other than the  
224 United States government, within this state regardless of the f.o.b. point or other  
225 conditions of the sale; or

226 (2) the property is shipped from an office, store, warehouse, factory, or  
227 other place of storage in this state; and

228 (a) the purchaser is the United States government; or

229 (b) the taxpayer is not taxable in the state of the purchaser.

230 17. Sales, other than sales of tangible personal property, are in this state  
231 if:

232 (1) the income-producing activity is performed in this state; or  
233 (2) the income-producing activity is performed both in and outside this  
234 state and a greater proportion of the income-producing activity is performed in  
235 this state than in any other state, based on costs of performance.

236 18. If the allocation and apportionment provisions of this article do not  
237 fairly represent the extent of the taxpayer's business activity in this state, the  
238 taxpayer may petition for or the tax administrator may require, in respect to all  
239 or any part of the taxpayer's business activity, if reasonable:

240 (1) separate accounting;

241 (2) the exclusion of any one or more of the factors;

242 (3) the inclusion of one or more additional factors which will fairly  
243 represent the taxpayer's business activity in this state; or

244 (4) the employment of any other method to effectuate an equitable  
245 allocation and apportionment of the taxpayer's income.

246 Article V

247 1. Each purchaser liable for a use tax on tangible personal property shall  
248 be entitled to full credit for the combined amount or amounts of legally imposed  
249 sales or use taxes paid by him with respect to the same property to another state  
250 and any subdivision thereof. The credit shall be applied first against the amount  
251 of any use tax due the state, and any unused portion of the credit shall then be  
252 applied against the amount of any use tax due a subdivision.

253 2. Whenever a vendor receives and accepts in good faith from a purchaser  
254 a resale or other exemption certificate or other written evidence of exemption  
255 authorized by the appropriate state or subdivision taxing authority, the vendor  
256 shall be relieved of liability for a sales or use tax with respect to the transaction.

257 Article VI

258 1. (a) The multistate tax commission is hereby established. It shall be  
259 composed of one "member" from each party state who shall be the head of the  
260 state agency charged with the administration of the types of taxes to which this  
261 compact applies. If there is more than one such agency the state shall provide  
262 by law for the selection of the commission member from the heads of the relevant  
263 agencies. State law may provide that a member of the commission be represented  
264 by an alternate but only if there is on file with the commission written  
265 notification of the designation and identity of the alternate. The attorney general  
266 of each party state or his designee, or other counsel if the laws of the party state  
267 specifically provide, shall be entitled to attend the meetings of the commission,

268 but shall not vote. Such attorneys general, designees, or other counsel shall  
269 receive all notices of meetings required under paragraph 1 (e) of this article.

270 (b) Each party state shall provide by law for the selection of  
271 representatives from its subdivisions affected by this compact to consult with the  
272 commission member from that state.

273 (c) Each member shall be entitled to one vote. The commission shall not  
274 act unless a majority of the members are present, and no action shall be binding  
275 unless approved by a majority of the total number of members.

276 (d) The commission shall adopt an official seal to be used as it may  
277 provide.

278 (e) The commission shall hold an annual meeting and such other regular  
279 meetings as its bylaws may provide and such special meetings as its executive  
280 committee may determine. The commission bylaws shall specify the dates of the  
281 annual and any other regular meetings, and shall provide for the giving of notice  
282 of annual, regular and special meetings. Notices of special meetings shall include  
283 the reasons therefor and an agenda of the items to be considered.

284 (f) The commission shall elect annually, from among its members, a  
285 chairman, a vice chairman and a treasurer. The commission shall appoint an  
286 executive director who shall serve at its pleasure, and it shall fix his duties and  
287 compensation. The executive director shall be secretary of the commission. The  
288 commission shall make provision for the bonding of such of its officers and  
289 employees as it may deem appropriate.

290 (g) Irrespective of the civil service, personnel or other merit system laws  
291 of any party state, the executive director shall appoint or discharge such  
292 personnel as may be necessary for the performance of the functions of the  
293 commission and shall fix their duties and compensation. The commission bylaws  
294 shall provide for personnel policies and programs.

295 (h) The commission may borrow, accept or contract for the services of  
296 personnel from any state, the United States, or any other governmental entity.

297 (i) The commission may accept for any of its purposes and functions any  
298 and all donations and grants of money, equipment, supplies, materials and  
299 services, conditional or otherwise, from any governmental entity, and may utilize  
300 and dispose of the same.

301 (j) The commission may establish one or more offices for the transacting  
302 of its business.

303 (k) The commission shall adopt bylaws for the conduct of its business. The

304 commission shall publish its bylaws in convenient form, and shall file a copy of  
305 the bylaws and any amendments thereto with the appropriate agency or officer  
306 in each of the party states.

307 (l) The commission annually shall make to the governor and legislature  
308 of each party state a report covering its activities for the preceding year. Any  
309 donation or grant accepted by the commission or services borrowed shall be  
310 reported in the annual report of the commission, and shall include the nature,  
311 amount and conditions, if any, of the donation, gift, grant or services borrowed  
312 and the identity of the donor or lender. The commission may make additional  
313 reports as it may deem desirable.

314 2. (a) To assist in the conduct of its business when the full commission  
315 is not meeting, the commission shall have an executive committee of seven  
316 members, including the chairman, vice chairman, treasurer and four other  
317 members elected annually by the commission. The executive committee, subject  
318 to the provisions of this compact and consistent with the policies of the  
319 commission, shall function as provided in the bylaws of the commission.

320 (b) The commission may establish advisory and technical committees,  
321 membership on which may include private persons and public officials, in  
322 furthering any of its activities. Such committees may consider any matter of  
323 concern to the commission, including problems of special interest to any party  
324 state and problems dealing with particular types of taxes.

325 (c) The commission may establish such additional committees as its  
326 bylaws may provide.

327 3. In addition to powers conferred elsewhere in this compact, the  
328 commission shall have power to:

329 (a) Study state and local tax systems and particular types of state and  
330 local taxes.

331 (b) Develop and recommend proposals for an increase in uniformity or  
332 compatibility of state and local tax laws with a view toward encouraging the  
333 simplification and improvement of state and local tax law and administration.

334 (c) Compile and publish information as in its judgment would assist the  
335 party states in implementation of the compact and taxpayers in complying with  
336 state and local tax laws.

337 (d) Do all things necessary and incidental to the administration of its  
338 functions pursuant to this compact.

339 4. (a) The commission shall submit to the governor or designated officer

340 or officers of each party state a budget of its estimated expenditures for such  
341 period as may be required by the laws of that state for presentation to the  
342 legislature thereof.

343 (b) Each of the commission's budgets of estimated expenditures shall  
344 contain specific recommendations of the amounts to be appropriated by each of  
345 the party states. The total amount of appropriations requested under any such  
346 budget shall be apportioned among the party states as follows: one-tenth in equal  
347 shares; and the remainder in proportion to the amount of revenue collected by  
348 each party state and its subdivisions from income taxes, capital stock taxes, gross  
349 receipts taxes, sales and use taxes. In determining such amounts, the  
350 commission shall employ such available public sources of information as, in its  
351 judgment, present the most equitable and accurate comparisons among the party  
352 states. Each of the commission's budgets of estimated expenditures and requests  
353 for appropriations shall indicate the sources used in obtaining information  
354 employed in applying the formula contained in this paragraph.

355 (c) The commission shall not pledge the credit of any party state. The  
356 commission may meet any of its obligations in whole or in part with funds  
357 available to it under paragraph 1 (i) of this article; provided that the commission  
358 takes specific action setting aside such funds prior to incurring any obligation to  
359 be met in whole or in part in such manner. Except where the commission makes  
360 use of funds available to it under paragraph 1 (i), the commission shall not incur  
361 any obligation prior to the allotment of funds by the party states adequate to  
362 meet the same.

363 (d) The commission shall keep accurate accounts of all receipts and  
364 disbursements. The receipts and disbursements of the commission shall be  
365 subject to the audit and accounting procedures established under its bylaws. All  
366 receipts and disbursements of funds handled by the commission shall be audited  
367 yearly by a certified or licensed public accountant and the report of the audit  
368 shall be included in and become part of the annual report of the commission.

369 (e) The accounts of the commission shall be open at any reasonable time  
370 for inspection by duly constituted officers of the party states and by any persons  
371 authorized by the commission.

372 (f) Nothing contained in this article shall be construed to prevent  
373 commission compliance with laws relating to audit or inspection of accounts by  
374 or on behalf of any government contributing to the support of the commission.

376 1. Whenever any two or more party states, or subdivisions of party states,  
377 have uniform or similar provisions of law relating to an income tax, capital stock  
378 tax, gross receipts tax, sales or use tax, the commission may adopt uniform  
379 regulations for any phase of the administration of such law, including assertion  
380 of jurisdiction to tax, or prescribing uniform tax forms. The commission may also  
381 act with respect to the provisions of article IV of this compact.

382 2. Prior to the adoption of any regulation, the commission shall:

383 (a) As provided in its bylaws, hold at least one public hearing on due  
384 notice to all affected party states and subdivisions thereof and to all taxpayers  
385 and other persons who have made timely request of the commission for advance  
386 notice of its regulation-making proceedings.

387 (b) Afford all affected party states and subdivisions and interested persons  
388 an opportunity to submit relevant written data and views, which shall be  
389 considered fully by the commission.

390 3. The commission shall submit any regulations adopted by it to the  
391 appropriate officials of all party states and subdivisions to which they might  
392 apply. Each such state and subdivision shall consider any such regulation for  
393 adoption in accordance with its own laws and procedures.

394 Article VIII

395 1. This article shall be in force only in those party states that specifically  
396 provide therefor by statute.

397 2. Any party state or subdivision thereof desiring to make or participate  
398 in an audit of any accounts, books, papers, records or other documents may  
399 request the commission to perform the audit on its behalf. In responding to the  
400 request, the commission shall have access to and may examine, at any reasonable  
401 time, such accounts, books, papers, records, and other documents and any  
402 relevant property or stock of merchandise. The commission may enter into  
403 agreements with party states or their subdivisions for assistance in performance  
404 of the audit. The commission shall make charges, to be paid by the state or local  
405 government or governments for which it performs the service, for any audits  
406 performed by it in order to reimburse itself for the actual costs incurred in  
407 making the audit.

408 3. The commission may require the attendance of any person within the  
409 state where it is conducting an audit or part thereof at a time and place fixed by  
410 it within such state for the purpose of giving testimony with respect to any  
411 account, book, paper, document, other record, property or stock of merchandise

412 being examined in connection with the audit. If the person is not within the  
413 jurisdiction, he may be required to attend for such purpose at any time and place  
414 fixed by the commission within the state of which he is a resident; provided that  
415 such state has adopted this article.

416 4. The commission may apply to any court having power to issue  
417 compulsory process for orders in aid of its powers and responsibilities pursuant  
418 to this article and any and all such courts shall have jurisdiction to issue such  
419 orders. Failure of any person to obey any such order shall be punishable as  
420 contempt of the issuing court. If the party or subject matter on account of which  
421 the commission seeks an order is within the jurisdiction of the court to which  
422 application is made, such application may be to a court in the state or subdivision  
423 on behalf of which the audit is being made or a court in the state in which the  
424 object of the order being sought is situated. The provisions of this paragraph  
425 apply only to courts in a state that has adopted this article.

426 5. The commission may decline to perform any audit requested if it finds  
427 that its available personnel or other resources are insufficient for the purpose or  
428 that, in the terms requested, the audit is impracticable of satisfactory  
429 performance. If the commission, on the basis of its experience, has reason to  
430 believe that an audit of a particular taxpayer, either at a particular time or on  
431 a particular schedule, would be of interest to a number of party states or their  
432 subdivisions, it may offer to make the audit or audits, the offer to be contingent  
433 on sufficient participation therein as determined by the commission.

434 6. Information obtained by any audit pursuant to this article shall be  
435 confidential and available only for tax purposes to party states, their subdivisions  
436 or the United States. Availability of information shall be in accordance with the  
437 laws of the states or subdivisions on whose account the commission performs the  
438 audit, and only through the appropriate agencies or officers of such states or  
439 subdivisions. Nothing in this article shall be construed to require any taxpayer  
440 to keep records for any period not otherwise required by law.

441 7. Other arrangements made or authorized pursuant to law for  
442 cooperative audit by or on behalf of the party states or any of their subdivisions  
443 are not superseded or invalidated by this article.

444 8. In no event shall the commission make any charge against a taxpayer  
445 for an audit.

446 9. As used in this article, "tax" in addition to the meaning ascribed to it  
447 in article II, means any tax or license fee imposed in whole or in part for revenue

448 purposes.

449

#### Article IX

450 1. Whenever the commission finds a need for settling disputes concerning  
451 apportionments and allocations by arbitration, it may adopt a regulation placing  
452 this article in effect, notwithstanding the provisions of article VII.

453 2. The commission shall select and maintain an arbitration panel  
454 composed of officers and employees of state and local governments and private  
455 persons who shall be knowledgeable and experienced in matters of tax law and  
456 administration.

457 3. Whenever a taxpayer who has elected to employ article IV, or whenever  
458 the laws of the party state or subdivision thereof are substantially identical with  
459 the relevant provisions of article IV, the taxpayer, by written notice to the  
460 commission and to each party state or subdivision thereof that would be affected,  
461 may secure arbitration of an apportionment or allocation, if he is dissatisfied with  
462 the final administrative determination of the tax agency of the state or  
463 subdivision with respect thereto on the ground that it would subject him to  
464 double or multiple taxation by two or more party states or subdivisions  
465 thereof. Each party state and subdivision thereof hereby consents to the  
466 arbitration as provided herein, and agrees to be bound thereby.

467 4. The arbitration board shall be composed of one person selected by the  
468 taxpayer, one by the agency or agencies involved, and one member of the  
469 commission's arbitration panel. If the agencies involved are unable to agree on  
470 the person to be selected by them, such person shall be selected by lot from the  
471 total membership of the arbitration panel. The two persons selected for the board  
472 in the manner provided by the foregoing provisions of this paragraph shall jointly  
473 select the third member of the board. If they are unable to agree on the selection,  
474 the third member shall be selected by lot from among the total membership of the  
475 arbitration panel. No member of a board selected by lot shall be qualified to  
476 serve if he is an officer or employee or is otherwise affiliated with any party to  
477 the arbitration proceeding. Residence within the jurisdiction of a party to the  
478 arbitration proceeding shall not constitute affiliation within the meaning of this  
479 paragraph.

480 5. The board may sit in any state or subdivision party to the proceeding,  
481 in the state of the taxpayer's incorporation, residence or domicile, in any state  
482 where the taxpayer does business, or in any place that it finds most appropriate  
483 for gaining access to evidence relevant to the matter before it.

484           6. The board shall give due notice of the times and places of its  
485 hearings. The parties shall be entitled to be heard, to present evidence, and to  
486 examine and cross-examine witnesses. The board shall act by majority vote.

487           7. The board shall have power to administer oaths, take testimony,  
488 subpoena and require the attendance of witnesses and the production of accounts,  
489 books, papers, records, and other documents, and issue commissions to take  
490 testimony. Subpoenas may be signed by any member of the board. In case of  
491 failure to obey a subpoena, and upon application by the board, any judge of a  
492 court of competent jurisdiction of the state in which the board is sitting or in  
493 which the person to whom the subpoena is directed may be found may make an  
494 order requiring compliance with the subpoena, and the court may punish failure  
495 to obey the order as a contempt. The provisions of this paragraph apply only in  
496 states that have adopted this article.

497           8. Unless the parties otherwise agree the expenses and other costs of the  
498 arbitration shall be assessed and allocated among the parties by the board in  
499 such manner as it may determine. The commission shall fix a schedule of  
500 compensation for members of arbitration boards and of other allowable expenses  
501 and costs. No officer or employee of a state or local government who serves as a  
502 member of a board shall be entitled to compensation therefor unless he is  
503 required on account of his service to forego the regular compensation attaching  
504 to his public employment, but any such board member shall be entitled to  
505 expenses.

506           9. The board shall determine the disputed apportionment or allocation  
507 and any matters necessary thereto. The determinations of the board shall be  
508 final for purposes of making the apportionment or allocation, but for no other  
509 purpose.

510           10. The board shall file with the commission and with each tax agency  
511 represented in the proceeding: the determination of the board; the board's  
512 written statement of its reasons therefor; the record of the board's proceedings;  
513 and any other documents required by the arbitration rules of the commission to  
514 be filed.

515           11. The commission shall publish the determinations of boards together  
516 with the statements of the reasons therefor.

517           12. The commission shall adopt and publish rules of procedure and  
518 practice and shall file a copy of such rules and of any amendment thereto with  
519 the appropriate agency or officer in each of the party states.

520 13. Nothing contained herein shall prevent at any time a written  
521 compromise of any matter or matters in dispute, if otherwise lawful, by the  
522 parties to the arbitration proceeding.

523 Article X

524 1. This compact shall enter into force when enacted into law by any seven  
525 states. Thereafter, this compact shall become effective as to any other state upon  
526 its enactment thereof. The commission shall arrange for notification of all party  
527 states whenever there is a new enactment of the compact.

528 2. Any party state may withdraw from this compact by enacting a statute  
529 repealing the same. No withdrawal shall affect any liability already incurred by  
530 or chargeable to a party state prior to the time of such withdrawal.

531 3. No proceeding commenced before an arbitration board prior to the  
532 withdrawal of a state and to which the withdrawing state or any subdivision  
533 thereof is a party shall be discontinued or terminated by the withdrawal, nor  
534 shall the board thereby lose jurisdiction over any of the parties to the proceeding  
535 necessary to make a binding determination therein.

536 Article XI

537 Nothing in this compact shall be construed to:

538 (a) Affect the power of any state or subdivision thereof to fix rates of  
539 taxation, except that a party state shall be obligated to implement article III 2  
540 of this compact.

541 (b) Apply to any tax or fixed fee imposed for the registration of a motor  
542 vehicle or any tax on motor fuel, other than a sales tax; provided that the  
543 definition of "tax" in article VIII 9 may apply for the purposes of that article and  
544 the commission's powers of study and recommendation pursuant to article VI 3  
545 may apply.

546 (c) Withdraw or limit the jurisdiction of any state or local court or  
547 administrative officer or body with respect to any person, corporation or other  
548 entity or subject matter, except to the extent that such jurisdiction is expressly  
549 conferred by or pursuant to this compact upon another agency or body.

550 (d) Supersede or limit the jurisdiction of any court of the United States.

551 Article XII

552 This compact shall be liberally construed so as to effectuate the purposes  
553 thereof. The provisions of this compact shall be severable and if any phrase,  
554 clause, sentence or provision of this compact is declared to be contrary to the  
555 constitution of any state or of the United States or the applicability thereof to any

556 government, agency, person or circumstance is held invalid, the validity of the  
557 remainder of this compact and the applicability thereof to any government,  
558 agency, person or circumstance shall not be affected thereby. If this compact  
559 shall be held contrary to the constitution of any state participating therein, the  
560 compact shall remain in full force and effect as to the remaining party states and  
561 in full force and effect as to the state affected as to all severable matters.

66.620. 1. All county sales taxes collected by the director of revenue  
2 under sections 66.600 to 66.630 on behalf of any county[, less one percent for cost  
3 of collection which shall be deposited in the state's general revenue fund after  
4 payment of premiums for surety bonds as provided in section 32.087,] shall be  
5 deposited in a special trust fund, which is hereby created, to be known as the  
6 "County Sales Tax Trust Fund". [The moneys in the county sales tax trust fund  
7 shall not be deemed to be state funds and shall not be commingled with any funds  
8 of the state.] The director of revenue shall keep accurate records of the amount  
9 of money in the trust fund which was collected in each county imposing a county  
10 sales tax, and the records shall be open to the inspection of officers of the county  
11 and the public. Not later than the tenth day of each month, the director of  
12 revenue shall distribute all moneys deposited in the trust fund during the  
13 preceding month to the county which levied the tax; such funds shall be deposited  
14 with the treasurer of the county and all expenditures of funds arising from the  
15 county sales tax trust fund shall be by an appropriation act to be enacted by the  
16 legislative council of the county, and to the cities, towns and villages located  
17 wholly or partly within the county which levied the tax in the manner as set forth  
18 in sections 66.600 to 66.630.

19 2. In any county not adopting an additional sales tax and alternate  
20 distribution system as provided in section 67.581, for the purposes of distributing  
21 the county sales tax, the county shall be divided into two groups, "Group A" and  
22 "Group B". Group A shall consist of all cities, towns and villages which are  
23 located wholly or partly within the county which levied the tax and which had a  
24 city sales tax in effect under the provisions of sections 94.500 to 94.550 on the  
25 day prior to the adoption of the county sales tax ordinance, except that beginning  
26 January 1, 1980, group A shall consist of all cities, towns and villages which are  
27 located wholly or partly within the county which levied the tax and which had a  
28 city sales tax approved by the voters of such city under the provisions of sections  
29 94.500 to 94.550 on the day prior to the effective date of the county sales tax. For  
30 the purposes of determining the location of consummation of sales for distribution

31 of funds to cities, towns and villages in group A, the boundaries of any such city,  
32 town or village shall be the boundary of that city, town or village as it existed on  
33 March 19, 1984. Group B shall consist of all cities, towns and villages which are  
34 located wholly or partly within the county which levied the tax and which did not  
35 have a city sales tax in effect under the provisions of sections 94.500 to 94.550 on  
36 the day prior to the adoption of the county sales tax ordinance, and shall also  
37 include all unincorporated areas of the county which levied the tax; except that,  
38 beginning January 1, 1980, group B shall consist of all cities, towns and villages  
39 which are located wholly or partly within the county which levied the tax and  
40 which did not have a city sales tax approved by the voters of such city under the  
41 provisions of sections 94.500 to 94.550 on the day prior to the effective date of the  
42 county sales tax and shall also include all unincorporated areas of the county  
43 which levied the tax.

44           3. Until January 1, 1994, the director of revenue shall distribute to the  
45 cities, towns and villages in group A the taxes based on the location in which the  
46 sales were deemed consummated under section 66.630 and subsection 12 of  
47 section 32.087. Except for distribution governed by section 66.630, after  
48 deducting the distribution to the cities, towns and villages in group A, the  
49 director of revenue shall distribute the remaining funds in the county sales tax  
50 trust fund to the cities, towns and villages and the county in group B as follows:  
51 to the county which levied the tax, a percentage of the distributable revenue  
52 equal to the percentage ratio that the population of the unincorporated areas of  
53 the county bears to the total population of group B; and to each city, town or  
54 village in group B located wholly within the taxing county, a percentage of the  
55 distributable revenue equal to the percentage ratio that the population of such  
56 city, town or village bears to the total population of group B; and to each city,  
57 town or village located partly within the taxing county, a percentage of the  
58 distributable revenue equal to the percentage ratio that the population of that  
59 part of the city, town or village located within the taxing county bears to the total  
60 population of group B.

61           4. From January 1, 1994, until December 31, 2016, the director of revenue  
62 shall distribute to the cities, towns and villages in group A a portion of the taxes  
63 based on the location in which the sales were deemed consummated under section  
64 66.630 and subsection 12 of section 32.087 in accordance with the formula  
65 described in this subsection and in subsection 6. After deducting the distribution  
66 to the cities, towns and villages in group A, the director of revenue shall

67 distribute funds in the county sales tax trust fund to the cities, towns and  
68 villages and the county in group B as follows: to the county which levied the tax,  
69 ten percent multiplied by the percentage of the population of unincorporated  
70 county which has been annexed or incorporated since April 1, 1993, multiplied by  
71 the total of all sales tax revenues countywide, and a percentage of the remaining  
72 distributable revenue equal to the percentage ratio that the population of  
73 unincorporated areas of the county bears to the total population of group B; and  
74 to each city, town or village in group B located wholly within the taxing county,  
75 a percentage of the remaining distributable revenue equal to the percentage ratio  
76 that the population of such city, town or village bears to the total population of  
77 group B; and to each city, town or village located partly within the taxing county,  
78 a percentage of the remaining distributable revenue equal to the percentage ratio  
79 that the population of that part of the city, town or village located within the  
80 taxing county bears to the total population of group B.

81         5. (1) From and after January 1, 2017, in each year in which the total  
82 revenues from the county sales tax collected under sections 66.600 to 66.630 in  
83 the previous calendar year are less than or equal to the amount of such revenues  
84 which were collected in the calendar year 2014, the director of revenue shall  
85 distribute to the cities, towns, and villages in group A and the cities, towns, and  
86 villages, and the county in group B, the amounts required to be distributed under  
87 the formula described in subsection 4 and in subsection 6 of this section. From  
88 and after January 1, 2017, in each year in which the total revenues from the  
89 county sales tax collected under sections 66.600 to 66.630 in the previous  
90 calendar year is greater than the amount of such revenues which were collected  
91 in the calendar year 2014, the director of revenue shall distribute to the cities,  
92 towns, and villages in group A a portion of the taxes based on the location in  
93 which the sales were deemed consummated under section 66.630 and subsection  
94 12 of section 32.087, in accordance with the formula described in this subsection  
95 and in subsection 6. After deducting the distribution to the cities, towns, and  
96 villages in group A, the director of revenue shall, subject to the limitation  
97 described in subdivision (2) of this subsection, distribute funds in the county sales  
98 tax trust fund to the cities, towns, and villages, and the county in group B as  
99 follows: to the county which levied the tax, ten percent multiplied by the  
100 percentage of the population of unincorporated county which has been annexed  
101 or incorporated since April 1, 1993, multiplied by the total of all sales tax  
102 revenues countywide, and a percentage of the remaining distributable revenue

103 equal to the percentage ratio that the population of unincorporated areas of the  
104 county bears to the total population of group B as adjusted such that no city,  
105 town, or village in group B shall receive a distribution that is less than fifty  
106 percent of the amount of taxes generated within such city, town, or village based  
107 on the location in which the sales were deemed consummated under section  
108 66.630 and subsection 12 of section 32.087; and to each city, town, or village in  
109 group B located wholly within the taxing county, a percentage of the remaining  
110 distributable revenue equal to the percentage ratio that the population of such  
111 city, town, or village bears to the total population of group B, as adjusted such  
112 that no city, town, or village in group B shall receive a distribution that is less  
113 than fifty percent of the amount of taxes generated within such city, town, or  
114 village based on the location in which the sales were deemed consummated under  
115 section 66.630 and subsection 12 of section 32.087; and to each city, town, or  
116 village located partly within the taxing county, a percentage of the remaining  
117 distributable revenue equal to the percentage ratio that the population of that  
118 part of the city, town, or village located within the taxing county bears to the  
119 total population of group B, as adjusted such that no city, town, or village in  
120 group B shall receive a distribution that is less than fifty percent of the amount  
121 of taxes generated within such city, town, or village based on the location in  
122 which the sales were deemed consummated under section 66.630 and subsection  
123 12 of section 32.087.

124 (2) For purposes of making any adjustment required by this subsection,  
125 the director of revenue shall, prior to any distribution to the county or to each  
126 city, town, or village in group B located wholly or partly within the taxing county,  
127 identify each city, town, or village in group B located wholly or partly within the  
128 taxing county that would receive a distribution that is less than fifty percent of  
129 the amount of taxes generated within such city, town, or village based on the  
130 location in which the sales were deemed consummated under section 66.630 and  
131 subsection 12 of section 32.087 if no adjustments were made and calculate the  
132 difference between the amount that the distribution to each such city, town, or  
133 village would have been without any adjustment and the amount that equals fifty  
134 percent of the amount of taxes generated within such city, town, or village based  
135 on the location in which the sales were deemed consummated under section  
136 66.630 and subsection 12 of section 32.087. Thereafter, the director of revenue  
137 shall determine the amount of any adjustment under this subsection as follows:

138 (a) If the aggregate amount of the difference calculated in accordance with

139 this subsection is less than or equal to the aggregate increase in the remaining  
140 distributable revenue for the applicable period in the current calendar year over  
141 the remaining distributable revenue for the corresponding period in the calendar  
142 year 2014, the director of revenue shall deduct the amount of such difference from  
143 the remaining distributable revenue and distribute an allocable portion of the  
144 amount of such difference to each city, town, or village that would otherwise have  
145 received a distribution that is less than fifty percent of the amount of taxes  
146 generated within such city, town, or village based on the location in which the  
147 sales were deemed consummated under section 66.630 and subsection 12 of  
148 section 32.087 if no adjustment were made, such that each such city, town, or  
149 village receives a distribution that is equal to fifty percent of the amount of taxes  
150 generated within such city, town, or village based on the location in which the  
151 sales were deemed consummated under section 66.630 and subsection 12 of  
152 section 32.087;

153 (b) If, however, the aggregate amount of the difference calculated in  
154 accordance with this subsection is greater than the aggregate increase in the  
155 remaining distributable revenue for the applicable period in the current calendar  
156 year over the remaining distributable revenue for the corresponding period in the  
157 calendar year 2014, the director of revenue shall deduct from the remaining  
158 distributable revenue an amount equal to the difference between the remaining  
159 distributable revenue for the applicable period in the current calendar year and  
160 the remaining distributable revenue for the corresponding period in the calendar  
161 year 2014 and distribute an allocable portion of the amount of such difference to  
162 each city, town, or village that would otherwise have received a distribution that  
163 is less than fifty percent of the amount of taxes generated within such city, town,  
164 or village based on the location in which the sales were deemed consummated  
165 under section 66.630 and subsection 12 of section 32.087 if no adjustment were  
166 made, such that each such city, town, or village receives a distribution that  
167 includes an adjustment that is proportionate to the amount of the adjustment  
168 that would otherwise have been made if such adjustment were calculated in  
169 accordance with paragraph (a) of this subdivision;

170 (c) After determining the amount of the adjustment and making the  
171 allocation in accordance with paragraph (a) or (b) of this subdivision, as  
172 applicable, the director of revenue shall thereafter distribute the remaining  
173 distributable revenue, as adjusted, to the county and to each city, town, or village  
174 in group B located wholly or partly within the taxing county in the manner

175 provided in this subsection.

176 (3) For purposes of this subsection, if a city, town, or village is partly in  
177 group A and partly in group B, the director of revenue shall calculate fifty percent  
178 of the amount of taxes generated within such city, town, or village based on the  
179 location in which the sales were deemed consummated under section 66.630 and  
180 subsection 12 of section 32.087 by multiplying fifty percent by the amount of all  
181 county sales taxes collected by the director of revenue under sections 66.600 to  
182 66.630, less one percent for cost of collection, that are generated within such city,  
183 town, or village based on the location in which the sales were deemed  
184 consummated under section 66.630 and subsection 12 of section 32.087,  
185 regardless of whether such taxes are deemed consummated in group A or group  
186 B.

187 6. (1) For purposes of administering the distribution formula of  
188 subsections 4 and 5 of this section, the revenues arising each year from sales  
189 occurring within each group A city, town or village shall be distributed as follows:  
190 until such revenues reach the adjusted county average, as hereinafter defined,  
191 there shall be distributed to the city, town or village all of such revenues reduced  
192 by the percentage which is equal to ten percent multiplied by the percentage of  
193 the population of unincorporated county which has been annexed or incorporated  
194 after April 1, 1993; and once revenues exceed the adjusted county average, total  
195 revenues shall be shared in accordance with the redistribution formula as defined  
196 in this subsection.

197 (2) For purposes of this subsection, the "adjusted county average" is the  
198 per capita countywide average of all sales tax distributions during the prior  
199 calendar year reduced by the percentage which is equal to ten percent multiplied  
200 by the percentage of the population of unincorporated county which has been  
201 annexed or incorporated after April 1, 1993; the redistribution formula is as  
202 follows: during 1994, each group A city, town and village shall receive that  
203 portion of the revenues arising from sales occurring within the municipality that  
204 remains after deducting therefrom an amount equal to the cumulative sales tax  
205 revenues arising from sales within the municipality multiplied by the percentage  
206 which is the sum of ten percent multiplied by the percentage of the population of  
207 unincorporated county which has been annexed or incorporated after April 1,  
208 1993, and the percentage, if greater than zero, equal to the product of 8.5  
209 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the  
210 total of cumulative per capita sales taxes arising from sales within the

211 municipality less the adjusted county average. During 1995, each group A city,  
212 town and village shall receive that portion of the revenues arising from sales  
213 occurring within the municipality that remains after deducting therefrom an  
214 amount equal to the cumulative sales tax revenues arising from sales within the  
215 municipality multiplied by the percentage which is the sum of ten percent  
216 multiplied by the percentage of the population of unincorporated county which  
217 has been annexed or incorporated after April 1, 1993, and the percentage, if  
218 greater than zero, equal to the product of seventeen multiplied by the logarithm  
219 (to base 10) of the product of 0.035 multiplied by the total of cumulative per  
220 capita sales taxes arising from sales within the municipality less the adjusted  
221 county average. From January 1, 1996, until January 1, 2000, each group A city,  
222 town and village shall receive that portion of the revenues arising from sales  
223 occurring within the municipality that remains after deducting therefrom an  
224 amount equal to the cumulative sales tax revenues arising from sales within the  
225 municipality multiplied by the percentage which is the sum of ten percent  
226 multiplied by the percentage of the population of unincorporated county which  
227 has been annexed or incorporated after April 1, 1993, and the percentage, if  
228 greater than zero, equal to the product of 25.5 multiplied by the logarithm (to  
229 base 10) of the product of 0.035 multiplied by the total of cumulative per capita  
230 sales taxes arising from sales within the municipality less the adjusted county  
231 average. From and after January 1, 2000, the distribution formula covering the  
232 period from January 1, 1996, until January 1, 2000, shall continue to apply,  
233 except that the percentage computed for sales arising within the municipalities  
234 shall be not less than 7.5 percent for municipalities within which sales tax  
235 revenues exceed the adjusted county average, nor less than 12.5 percent for  
236 municipalities within which sales tax revenues exceed the adjusted county  
237 average by at least twenty-five percent.

238 (3) For purposes of applying the redistribution formula to a municipality  
239 which is partly within the county levying the tax, the distribution shall be  
240 calculated alternately for the municipality as a whole, except that the factor for  
241 annexed portion of the county shall not be applied to the portion of the  
242 municipality which is not within the county levying the tax, and for the portion  
243 of the municipality within the county levying the tax. Whichever calculation  
244 results in the larger distribution to the municipality shall be used.

245 (4) Notwithstanding any other provision of this section, the fifty percent  
246 of additional sales taxes as described in section 99.845 arising from economic

247 activities within the area of a redevelopment project established after July 12,  
248 1990, pursuant to sections 99.800 to 99.865, while tax increment financing  
249 remains in effect shall be deducted from all calculations of countywide sales  
250 taxes, shall be distributed directly to the municipality involved, and shall be  
251 disregarded in calculating the amounts distributed or distributable to the  
252 municipality. Further, any agreement, contract or covenant entered into prior to  
253 July 12, 1990, between a municipality and any other political subdivision which  
254 provides for an appropriation of incremental sales tax revenues to the special  
255 allocation fund of a tax increment financing project while tax increment financing  
256 remains in effect shall continue to be in full force and effect and the sales taxes  
257 so appropriated shall be deducted from all calculations of countywide sales taxes,  
258 shall be distributed directly to the municipality involved, and shall be  
259 disregarded in calculating the amounts distributed or distributable to the  
260 municipality. In addition, and notwithstanding any other provision of this  
261 chapter to the contrary, economic development funds shall be distributed in full  
262 to the municipality in which the sales producing them were deemed  
263 consummated. Additionally, economic development funds shall be deducted from  
264 all calculations of countywide sales taxes and shall be disregarded in calculating  
265 the amounts distributed or distributable to the municipality. As used in this  
266 subdivision, the term "economic development funds" means the amount of sales  
267 tax revenue generated in any fiscal year by projects authorized pursuant to  
268 chapter 99 or chapter 100 in connection with which such sales tax revenue was  
269 pledged as security for, or was guaranteed by a developer to be sufficient to pay,  
270 outstanding obligations under any agreement authorized by chapter 100, entered  
271 into or adopted prior to September 1, 1993, between a municipality and another  
272 public body. The cumulative amount of economic development funds allowed  
273 under this provision shall not exceed the total amount necessary to amortize the  
274 obligations involved.

275           7. If the qualified voters of any city, town or village vote to change or alter  
276 its boundaries by annexing any unincorporated territory included in group B or  
277 if the qualified voters of one or more city, town or village in group A and the  
278 qualified voters of one or more city, town or village in group B vote to consolidate,  
279 the area annexed or the area consolidated which had been a part of group B shall  
280 remain a part of group B after annexation or consolidation. After the effective  
281 date of the annexation or consolidation, the annexing or consolidated city, town  
282 or village shall receive a percentage of the group B distributable revenue equal

283 to the percentage ratio that the population of the annexed or consolidated area  
284 bears to the total population of group B and such annexed area shall not be  
285 classified as unincorporated area for determination of the percentage allocable to  
286 the county. If the qualified voters of any two or more cities, towns or villages in  
287 group A each vote to consolidate such cities, towns or villages, then such  
288 consolidated cities, towns or villages shall remain a part of group A. For the  
289 purpose of sections 66.600 to 66.630, population shall be as determined by the  
290 last federal decennial census or the latest census that determines the total  
291 population of the county and all political subdivisions therein. For the purpose  
292 of calculating the adjustment based on the percentage of unincorporated county  
293 population which is annexed after April 1, 1993, the accumulated percentage  
294 immediately before each census shall be used as the new percentage base after  
295 such census. After any annexation, incorporation or other municipal boundary  
296 change affecting the unincorporated area of the county, the chief elected official  
297 of the county shall certify the new population of the unincorporated area of the  
298 county and the percentage of the population which has been annexed or  
299 incorporated since April 1, 1993, to the director of revenue. After the adoption  
300 of the county sales tax ordinance, any city, town or village in group A may by  
301 adoption of an ordinance by its governing body cease to be a part of group A and  
302 become a part of group B. Within ten days after the adoption of the ordinance  
303 transferring the city, town or village from one group to the other, the clerk of the  
304 transferring city, town or village shall forward to the director of revenue, by  
305 registered mail, a certified copy of the ordinance. Distribution to such city as a  
306 part of its former group shall cease and as a part of its new group shall begin on  
307 the first day of January of the year following notification to the director of  
308 revenue, provided such notification is received by the director of revenue on or  
309 before the first day of July of the year in which the transferring ordinance is  
310 adopted. If such notification is received by the director of revenue after the first  
311 day of July of the year in which the transferring ordinance is adopted, then  
312 distribution to such city as a part of its former group shall cease and as a part of  
313 its new group shall begin the first day of July of the year following such  
314 notification to the director of revenue. Once a group A city, town or village  
315 becomes a part of group B, such city may not transfer back to group A.

316 8. If any city, town or village shall hereafter change or alter its  
317 boundaries, the city clerk of the municipality shall forward to the director of  
318 revenue, by registered mail, a certified copy of the ordinance adding or detaching

319 territory from the municipality. The ordinance shall reflect the effective date  
320 thereof, and shall be accompanied by a map of the municipality clearly showing  
321 the territory added thereto or detached therefrom. Upon receipt of the ordinance  
322 and map, the tax imposed by sections 66.600 to 66.630 shall be redistributed and  
323 allocated in accordance with the provisions of this section on the effective date of  
324 the change of the municipal boundary so that the proper percentage of group B  
325 distributable revenue is allocated to the municipality in proportion to any  
326 annexed territory. If any area of the unincorporated county elects to incorporate  
327 subsequent to the effective date of the county sales tax as set forth in sections  
328 66.600 to 66.630, the newly incorporated municipality shall remain a part of  
329 group B. The city clerk of such newly incorporated municipality shall forward to  
330 the director of revenue, by registered mail, a certified copy of the incorporation  
331 election returns and a map of the municipality clearly showing the boundaries  
332 thereof. The certified copy of the incorporation election returns shall reflect the  
333 effective date of the incorporation. Upon receipt of the incorporation election  
334 returns and map, the tax imposed by sections 66.600 to 66.630 shall be  
335 distributed and allocated in accordance with the provisions of this section on the  
336 effective date of the incorporation.

337           9. The director of revenue may authorize the state treasurer to make  
338 refunds from the amounts in the trust fund and credited to any county for  
339 erroneous payments and overpayments made, and may redeem dishonored checks  
340 and drafts deposited to the credit of such counties. If any county abolishes the  
341 tax, the county shall notify the director of revenue of the action [at least ninety  
342 days prior to the effective date of the repeal] and the director of revenue may  
343 order retention in the trust fund, for a period of one year, of two percent of the  
344 amount collected after receipt of such notice to cover possible refunds or  
345 overpayment of the tax and to redeem dishonored checks and drafts deposited to  
346 the credit of such accounts. After one year has elapsed after the effective date of  
347 abolition of the tax in such county, the director of revenue shall remit the balance  
348 in the account to the county and close the account of that county. The director  
349 of revenue shall notify each county of each instance of any amount refunded or  
350 any check redeemed from receipts due the county.

351           10. Except as modified in sections 66.600 to 66.630, all provisions of  
352 sections 32.085 [and] **to** 32.087 shall apply to the tax imposed under sections  
353 66.600 to 66.630.

67.395. 1. All sales taxes collected by the director of revenue under

2 sections 67.391 to 67.395 on behalf of any county[, less one percent for cost of  
3 collection which shall be deposited in the state's general revenue fund after  
4 payment of premiums for surety bonds as provided in section 32.087] shall be  
5 deposited with the state treasurer in a special trust fund, which is hereby  
6 created, to be known as the "County Anti-Drug Sales Tax Trust Fund". [The  
7 moneys in the county anti-drug sales tax trust fund shall not be deemed to be  
8 state funds and shall not be commingled with any funds of the state.] The  
9 director of revenue shall keep accurate records of the amount of money in the  
10 trust fund which was collected in each county imposing a sales tax under sections  
11 67.391 to 67.395, and the records shall be open to the inspection of officers of the  
12 county and the public. Not later than the tenth day of each month, the director  
13 of revenue shall distribute all moneys deposited in the trust fund during the  
14 preceding month to the county which levied the tax. Such funds shall be  
15 deposited with the county treasurer of each such county, and all expenditures of  
16 funds arising from the county anti-drug sales tax trust fund shall be by an  
17 appropriation act to be enacted by the governing body of each such county.

18 2. The director of revenue may authorize the state treasurer to make  
19 refunds from the amounts in the trust fund and credited to any county for  
20 erroneous payments and overpayments made, and may redeem dishonored checks  
21 and drafts deposited to the credit of such counties. If any county abolishes the  
22 tax, the county shall notify the director of revenue of the action [at least ninety  
23 days prior to the effective date of the repeal] and the director of revenue may  
24 order retention in the trust fund, for a period of one year, of two percent of the  
25 amount collected after receipt of such notice to cover possible refunds or  
26 overpayment of the tax and to redeem dishonored checks and drafts deposited to  
27 the credit of such accounts. After one year has elapsed after the effective date of  
28 abolition of the tax in such county, the director of revenue shall authorize the  
29 state treasurer to remit the balance in the account to the county and close the  
30 account of that county. The director of revenue shall notify each county of each  
31 instance of any amount refunded or any check redeemed from receipts due the  
32 county.

33 3. Except as modified in sections 67.391 to 67.395, all provisions of  
34 sections 32.085 [and] to 32.087 shall apply to the tax imposed under sections  
35 67.391 to 67.395.

67.525. 1. All county sales taxes collected by the director of revenue  
2 under sections 67.500 to 67.545 on behalf of any county[, less one percent for cost

3 of collection, which shall be deposited in the state's general revenue fund after  
4 payment of premiums for surety bonds as provided in section 32.087,] shall be  
5 deposited with the state treasurer in a county sales tax trust fund, which fund  
6 shall be separate and apart from the county sales tax trust fund established by  
7 section 66.620. [The moneys in such county sales tax trust fund shall not be  
8 deemed to be state funds and shall not be commingled with any funds of the  
9 state.] The director of revenue shall keep accurate records of the amount of  
10 money in the trust fund which was collected in each county imposing a county  
11 sales tax, and the records shall be open to the inspection of officers of the county  
12 and to the public. Not later than the tenth day of each month the director of  
13 revenue shall distribute all moneys deposited in the trust fund during the  
14 preceding month by distributing to the county treasurer, or such other officer as  
15 may be designated by the county ordinance or order, of each county imposing the  
16 tax authorized by sections 67.500 to 67.545, the sum due the county as certified  
17 by the director of revenue.

18         2. The director of revenue may authorize the state treasurer to make  
19 refunds from the amounts in the trust fund and credited to any county for  
20 erroneous payments and overpayments made, and may redeem dishonored checks  
21 and drafts deposited to the credit of such counties. If any county abolishes the  
22 tax, the county shall notify the director of revenue of the action [at least ninety  
23 days prior to the effective date of the repeal,] and the director of revenue may  
24 order retention in the trust fund, for a period of one year, of two percent of the  
25 amount collected after receipt of such notice to cover possible refunds or  
26 overpayment of the tax and to redeem dishonored checks and drafts deposited to  
27 the credit of such accounts. After one year has elapsed after the effective date of  
28 abolition of the tax in such county, the director of revenue shall authorize the  
29 state treasurer to remit the balance in the account to the county and close the  
30 account of that county. The director of revenue shall notify each county of each  
31 instance of any amount refunded or any check redeemed from receipts due the  
32 county.

33         3. Except as modified in sections 67.500 to 67.545, all provisions of  
34 sections 32.085 [and] **to** 32.087 shall apply to the tax imposed under sections  
35 67.500 to 67.545.

67.571. 1. The governing body of any county of the first classification with  
2 a population of more than eighty-two thousand inhabitants and less than ninety  
3 thousand inhabitants may, in addition to any tourism sales tax imposed pursuant

4 to sections 67.671 to 67.685, by a majority vote, impose a sales tax **on all retail**  
5 **sales made in the county which are subject to sales tax under chapter**  
6 **144** for the funding of museums and festivals. For purposes of this section, the  
7 term "funding of museums and festivals" shall mean:

8 (1) Funding of museums operating in the county, which are registered  
9 with the United States Internal Revenue Service as a 501(C)(3) corporation and  
10 which are considered by the board to be tourism attractions; and

11 (2) Funding of organizations that are registered as 501(C)(3) corporations  
12 which promote cultural heritage tourism including festivals and the arts.

13 2. Any question submitted to the voters of such county to establish a sales  
14 tax pursuant to this section shall be submitted in substantially the following  
15 form:

16 Shall the county of \_\_\_\_\_ (insert the name of the county) impose  
17 a sales tax of \_\_\_\_\_ (insert rate of percent) percent to be used to  
18 fund (museums, cultural heritage, festivals) in certain areas of the  
19 county?

20  YES  NO

21 3. If a majority of the votes cast on the proposal by the qualified voters  
22 voting thereon are in favor of the proposal, and the tax takes effect pursuant to  
23 this section, the museums and festivals board appointed pursuant to subsection  
24 5 of this section shall determine in what manner the tax revenue moneys will be  
25 expended, and disbursements of these moneys shall be made strictly in  
26 accordance with directions of the board which are consistent with the provisions  
27 of sections 67.571 to 67.577. Expenditures of these tax moneys may be made for  
28 the employment of personnel selected by the board to assist in carrying out the  
29 duties of the board, and the board is expressly authorized to employ such  
30 personnel. Expenditures of these tax moneys may be made directly to  
31 corporations pursuant to subsection 1 of this section. No such tax revenue  
32 moneys shall be disbursed to or on behalf of any corporation, organization or  
33 entity that is not duly registered with the Internal Revenue Service as a 501(C)(3)  
34 organization.

35 4. Any sales tax imposed pursuant to this section shall be imposed at a  
36 rate not to exceed two-tenths of one percent on receipts from the sale of certain  
37 tangible personal property or taxable services within the county pursuant to  
38 sections 67.571 to 67.577.

39 5. The governing body of any county which imposes a sales tax pursuant

40 to this section may establish a museums and festivals board for the purpose of  
41 expending funds collected from any sales tax submitted and approved by the  
42 county's voters pursuant to this section. The board shall be comprised of six  
43 members who are appointed by the governing body of the county from a list of  
44 candidates supplied by the chair of each of the two major political parties of the  
45 county. The board shall be comprised of three members from each of the two  
46 political parties. Members shall serve for three-year terms, but of the members  
47 first appointed, one shall be appointed for a term of one year, two shall be  
48 appointed for a term of two years, and two shall be appointed for a term of three  
49 years. Each member shall be a resident of the county from which he or she is  
50 appointed. The members of the board shall not receive compensation for service  
51 on the board, but shall be reimbursed from the tax revenue money for any  
52 reasonable and necessary expenses incurred in service on the board.

53           6. In the area of each county in which a sales tax has been imposed in the  
54 manner provided by sections 67.571 to 67.577, every retailer within such area  
55 shall add the tax imposed by the provisions of sections 67.571 to 67.577 to his  
56 sale price, and this tax shall be a debt of the purchaser to the retailer until paid,  
57 and shall be recoverable at law in the same manner as the purchase price.

58           7. In counties imposing a tax under the provisions of sections 67.571 to  
59 67.577, in order to permit sellers required to collect and report the sales tax to  
60 collect the amount required to be reported and remitted, but not to change the  
61 requirements of reporting or remitting the tax, or to serve as a levy of the tax,  
62 and in order to avoid fractions of pennies, the [governing body may authorize the  
63 use of a bracket system similar to that] **tax shall be calculated as** authorized  
64 by the provisions of section 144.285[, and notwithstanding the provisions of that  
65 section, this new bracket system shall be used where this tax is imposed and  
66 shall apply to all taxable transactions].

67           **8. Except as modified in this section, all provisions of sections**  
68 **32.085 to 32.087 shall apply to the tax imposed under this section.**

69           67.576. 1. The following provisions shall govern the collection of the tax  
70 imposed by the provisions of sections 67.571 to 67.577:

71           (1) All applicable provisions contained in sections 144.010 to 144.510  
72 governing the state sales tax and section 32.057, the uniform confidentiality  
73 provision, shall apply to the collection of the tax imposed by the provisions of  
74 sections 67.571 to 67.577;

75           (2) All exemptions granted to agencies of government, organizations, and

8 persons under the provisions of sections 144.010 to 144.510 are hereby made  
9 applicable to the imposition and collection of the tax imposed by sections 67.571  
10 to 67.577.

11 2. The same sales tax permit, exemption certificate and retail certificate  
12 required by sections 144.010 to 144.510 for the administration and collection of  
13 the state sales tax shall satisfy the requirements of sections 67.571 to 67.577, and  
14 no additional permit or exemption certificate or retail certificate shall be  
15 required; except that, the director of revenue may prescribe a form of exemption  
16 certificate for an exemption from the tax imposed by sections 67.571 to 67.577.

17 3. All discounts allowed the retailer pursuant to the provisions of the  
18 state sales tax law for the collection of and for payment of taxes pursuant to that  
19 act are hereby allowed and made applicable to any taxes collected pursuant to the  
20 provisions of sections 67.571 to 67.577.

21 4. The penalties provided in section 32.057 and sections 144.010 to  
22 144.510 for a violation of those acts are hereby made applicable to violations of  
23 the provisions of sections 67.571 to 67.577.

24 5. [For the purposes of the sales tax imposed by an order pursuant to  
25 sections 67.571 to 67.577, all retail sales shall be deemed to be consummated at  
26 the place of business of the retailer] **Except as provided in sections 67.571**  
27 **to 67.577, all provisions of sections 32.085 to 32.087 shall apply to the**  
28 **tax imposed under sections 67.571 to 67.577.**

67.578. 1. The governing authority of any county of the third  
2 classification without a township form of government and with more than sixteen  
3 thousand four hundred but less than sixteen thousand five hundred inhabitants  
4 may impose a sales tax in an amount not to exceed one-fifth of one percent on all  
5 retail sales made in the county which are subject to taxation [pursuant to  
6 sections 144.010 to 144.525] **under chapter 144**, to be used solely for the  
7 funding of museums. For purposes of this section, the term "museums" means  
8 museums operating in the county, which are registered with the United States  
9 Internal Revenue Service as a 501(c)(3) corporation and which are considered by  
10 the board to be a tourism attraction. The tax authorized by this section shall be  
11 in addition to any and all other sales taxes allowed by law, except that no sales  
12 tax shall be imposed pursuant to this section unless the governing authority  
13 submits to the voters of the county, at a county or state general, primary, or  
14 special election, a proposal to authorize the governing authority to impose the  
15 tax.

16           2. The ballot of submission shall contain, but need not be limited to, the  
17 following language:

18           Shall the county of \_\_\_\_\_ (insert the name of the county) impose  
19 a sales tax of \_\_\_\_\_ (insert rate of percent) percent for the funding  
20 of museums? "Museums" means museums operating in the county,  
21 which are registered with the United States Internal Revenue  
22 Service as a 501(c)(3) corporation and which are considered by the  
23 museum board to be a tourism attraction.

24                                    YES                                    NO

25           If you are in favor of the question, place an "X" in the box opposite  
26 "YES". If you are opposed to the question, place an "X" in the box  
27 opposite "NO".

28 If a majority of the votes cast on the proposal by the qualified voters voting  
29 thereon are in favor of the proposal, then the sales tax shall become effective [on  
30 the first day of the second calendar quarter after the director of revenue receives  
31 notice of the adoption of the tax] **as provided by subsection 19 of section**  
32 **32.087**. If the proposal receives less than the required majority of votes, then the  
33 governing authority shall have no power to impose the tax unless and until the  
34 governing authority has again submitted another proposal to authorize the  
35 governing authority to impose the sales tax authorized by this section and such  
36 proposal is approved by the required majority of the qualified voters voting  
37 thereon.

38           3. On or after the effective date of the tax, the director of revenue shall  
39 be responsible for the administration, collection, enforcement, and operation of  
40 the tax, and sections 32.085 [and] to 32.087 shall apply. [The director may  
41 retain an amount not to exceed one percent for deposit in the general revenue  
42 fund to offset the costs of collection.] In order to permit sellers required to collect  
43 and report the sales tax to collect the amount required to be reported and  
44 remitted, but not to change the requirements of reporting or remitting the tax,  
45 or to serve as a levy of the tax, and in order to avoid fractions of pennies, the  
46 [governing authority may authorize the use of a bracket system similar to that]  
47 **tax shall be calculated as** authorized [in] **by** section 144.285[, and  
48 notwithstanding the provisions of that section, this new bracket system shall be  
49 used where this tax is imposed and shall apply to all taxable  
50 transactions]. Beginning with the effective date of the tax, every retailer in the  
51 county shall add the sales tax to the sale price, and this tax shall be a debt of the

52 purchaser to the retailer until paid, and shall be recoverable at law in the same  
53 manner as the purchase price. For purposes of this section, all retail sales shall  
54 be deemed to be consummated at the place of business of the retailer.

55 4. All applicable provisions in [sections 144.010 to 144.525] **chapter 144**  
56 governing the state sales tax, and section 32.057, the uniform confidentiality  
57 provision, shall apply to the collection of the tax, and all exemptions granted to  
58 agencies of government, organizations, and persons pursuant to sections 144.010  
59 to 144.525 are hereby made applicable to the imposition and collection of the  
60 tax. The same sales tax permit, exemption certificate, and retail certificate  
61 required by sections 144.010 to 144.525 for the administration and collection of  
62 the state sales tax shall satisfy the requirements of this section, and no  
63 additional permit or exemption certificate or retail certificate shall be required;  
64 except that, the director of revenue may prescribe a form of exemption certificate  
65 for an exemption from the tax. All discounts allowed the retailer pursuant to the  
66 state sales tax law for the collection of and for payment of taxes are hereby  
67 allowed and made applicable to the tax. The penalties for violations provided in  
68 section 32.057 and [sections 144.010 to 144.525] **chapter 144** are hereby made  
69 applicable to violations of this section. If any person is delinquent in the  
70 payment of the amount required to be paid pursuant to this section, or in the  
71 event a determination has been made against the person for taxes and penalty  
72 pursuant to this section, the limitation for bringing suit for the collection of the  
73 delinquent tax and penalty shall be the same as that provided in [sections  
74 144.010 to 144.525] **chapter 144**.

75 5. The governing authority may authorize any museum board already  
76 existing in the county, or may establish a museum board, to expend revenue  
77 collected pursuant to this section. In the event that no museum board already  
78 exists, the board established pursuant to this section shall consist of six members  
79 who are appointed by the governing authority from a list of candidates supplied  
80 by the chair of each of the two major political parties of the county, with three  
81 members from each of the two parties. Members shall serve for three-year terms,  
82 but of the members first appointed, [one] **two** shall be appointed for a term of  
83 one year, two shall be appointed for a term of two years, and two shall be  
84 appointed for a term of three years. Each member shall be a resident of the  
85 county. The members shall not receive compensation for service on the board, but  
86 shall be reimbursed from the revenues collected pursuant to this section for any  
87 reasonable and necessary expenses incurred in service on the board. The board

88 shall determine in what manner the revenues will be expended, and  
89 disbursements of these moneys shall be made strictly in accordance with this  
90 section. Expenditures may be made for the employment of personnel selected by  
91 the board to assist in carrying out the duties of the board, and the board is  
92 expressly authorized to employ such personnel.

93 6. The governing authority may submit the question of repeal of the tax  
94 to the voters at any county or state general, primary, or special election. The  
95 ballot of submission shall contain, but need not be limited to, the following  
96 language:

97 Shall the county of \_\_\_\_\_ (insert name of county) repeal the sales  
98 tax of \_\_\_\_\_ (insert rate of percent) percent for the funding of  
99 museums?

100  YES  NO

101 If you are in favor of the question, place an "X" in the box opposite  
102 "YES". If you are opposed to the question, place an "X" in the box  
103 opposite "NO".

104 [If a majority of the votes cast on the proposal are in favor of repeal, that repeal  
105 shall become effective on December thirty-first of the calendar year in which the  
106 repeal was approved.]

67.581. 1. In addition to the sales tax permitted by sections 66.600 to  
2 66.630, any county of the first class having a charter form of government and  
3 having a population of nine hundred thousand or more may impose an additional  
4 countywide sales tax **on all retail sales made in the county which are**  
5 **subject to sales tax under chapter 144** upon approval by a vote of the  
6 qualified voters of the county. The proposal may be submitted to the voters by  
7 the governing body of the county and shall be submitted to the voters at the next  
8 general election upon petitions signed by a number of qualified voters residing in  
9 the county equal to at least eight percent of the votes cast in the county in the  
10 next preceding gubernatorial election filed with the governing body of the  
11 county. The submission shall include the levying of a sales tax at a rate of not  
12 to exceed two hundred seventy-five one-thousandths of one percent on the receipts  
13 from the sale at retail of all tangible personal property or taxable services within  
14 the county which are also taxable under the provisions of sections 66.600 to  
15 66.630, and shall provide for the distribution of the proceeds in the manner  
16 provided in either subsection 4 or subsection 5 of this section. If either of the  
17 alternative distribution systems as provided in subsection 4 or subsection 5 of

18 this section is approved by the voters, then the alternative system of distribution  
19 may not be submitted to the voters for at least three years from the date of such  
20 voter approval.

21 2. The ballot of submission shall contain, but is not limited to, the  
22 following language:

23 Shall the County of \_\_\_\_\_ levy an additional sales tax at the rate  
24 of \_\_\_\_\_ (insert rate) and distribute the proceeds in the manner  
25 provided in \_\_\_\_\_ (insert proper reference) (subsection  
26 4)(subsection 5) of section 67.581, RSMo?

27  YES  NO

28 If a majority of the votes cast on the proposal by the qualified voters voting  
29 thereon are in favor of the proposal, the additional sales tax shall be levied and  
30 collected and the proceeds from the additional tax shall be distributed as provided  
31 in either subsection 4 or subsection 5 of this section. If a majority of the votes  
32 cast by the qualified voters voting thereon are opposed to the proposal, then the  
33 governing body of the county shall have no power to impose the additional sales  
34 tax authorized by this section unless and until a proposal for the levy of such tax  
35 is submitted to and approved by the voters of the county.

36 3. The provisions of sections 66.600 to 66.630 and sections 32.085 [and]  
37 to 32.087, except to the extent otherwise provided in this section, shall govern the  
38 levy, collection, distribution and other procedures related to an additional sales  
39 tax imposed pursuant to this section.

40 4. In any county adopting an additional sales tax pursuant to the  
41 provisions of this section, and selecting the method of distribution provided in  
42 this subsection, the proceeds from the sales tax imposed pursuant to this section,  
43 less one percent collection cost, shall be distributed first to those municipalities  
44 that did not receive during the preceding calendar year ninety-five percent of the  
45 amount the municipality would have received by multiplying the population of the  
46 municipality by the average per capita sales tax receipt for such county in an  
47 amount which will bring each municipality receipt of sales tax moneys up to  
48 ninety-five percent of the average per capita receipts from the proceeds of the  
49 sales tax imposed pursuant to sections 66.600 to 66.630. Any remainder of the  
50 money received from the sales tax imposed pursuant to this section shall be  
51 distributed to all municipalities on the ratio that the population of each  
52 municipality bears to the total population of the county. The average per capita  
53 sales tax distribution shall be calculated by dividing the sum of the total sales tax

54 revenue derived from the tax imposed pursuant to sections 66.600 to 66.630 by  
55 the total population of the county. Population of each municipality, of the  
56 unincorporated area of the county, and the total population of the county shall be  
57 determined on the basis of the most recent federal decennial census. For the  
58 purposes of this subsection, any city, town, village or the unincorporated area of  
59 the county shall be considered a municipality.

60         5. In any county adopting an additional sales tax pursuant to the  
61 provisions of this section and selecting the method of distribution provided in this  
62 subsection, the proceeds from the sales tax imposed pursuant to this section, less  
63 one percent collection cost, shall be distributed to all cities, towns and villages,  
64 and the unincorporated areas of the county in group B and to such cities, towns  
65 and villages in group A as necessary so that no city, town, or village in group A  
66 receives from the combined proceeds of both the sales tax imposed pursuant to  
67 this section and the sales tax imposed pursuant to sections 66.600 to 66.630, less  
68 than the per capita amount received by the cities, towns and villages and the  
69 unincorporated area of the county in group B receives from the total proceeds  
70 from both sales taxes.

71         6. The governing body of any county which is imposing a sales tax under  
72 the provisions of sections 66.600 to 66.630 may on its own motion and shall, upon  
73 petitions filed with the governing body of the county signed by a number of  
74 qualified voters residing in the county equal to at least eight percent of the votes  
75 cast in the county at the next preceding gubernatorial election, submit to the  
76 qualified voters of the county a proposal to change the method of distribution of  
77 sales tax proceeds from the manner provided in subsection 2 of section 66.620 to  
78 the method provided in this subsection. The ballot of submission shall be in  
79 substantially the following form:

80         Shall the proceeds from the county sales tax be distributed among  
81 the county of \_\_\_\_\_ and the various cities, towns and villages  
82 therein in the manner provided in subdivisions (1) and (2) of  
83 subsection 6 of section 67.581, RSMo, in lieu of the present manner  
84 of distribution?

85                                  YES                                  NO

86 If a majority of the votes cast on the proposal by the qualified voters of the county  
87 voting thereon are in favor of the proposal, the sales tax imposed by the county  
88 under the provisions of sections 66.600 to 66.630 shall be distributed in the  
89 manner provided in this subsection and not in the manner provided in subsection

90 2 of section 66.620. If a majority of the votes cast by the qualified voters of the  
91 county voting thereon are opposed to the proposal, then the governing body of the  
92 county shall have no power to order the proceeds from the sales tax imposed  
93 pursuant to the provisions of sections 66.600 to 66.630 in the manner provided  
94 in this subsection in lieu of the method provided in subsection 2 of section 66.620,  
95 unless and until a proposal authorizing such method of distribution is submitted  
96 to and approved by the voters of the county. If the voters approve the change in  
97 the method of distribution of the sales tax proceeds in the manner provided in  
98 this subsection, the county clerk of the county shall notify the director of revenue  
99 of the change in the method of distribution within ten days after adoption of the  
100 proposal and shall inform the director of the effective date of the change in the  
101 method of distribution, which shall be on the first day of the third calendar  
102 quarter after the director of revenue receives notice. After the effective date of  
103 the change in the manner of distribution, the director of revenue shall distribute  
104 the proceeds of the sales tax imposed by such county under the provisions of  
105 sections 66.600 to 66.630 in the manner provided in this subsection in lieu of the  
106 manner of distribution provided in subsection 2 of section 66.620. The proceeds  
107 of the sales tax imposed under the provisions of sections 66.600 to 66.630 in any  
108 county which elects to have the proceeds distributed in the manner provided in  
109 this subsection shall be distributed in the following manner:

110 (1) The proceeds from the sales taxes shall be distributed to the cities,  
111 towns and villages in group A and to the cities, towns and villages, and the  
112 county in group B as defined in section 66.620 in the manner provided in  
113 subsection 2 of section 66.620, until an amount equal to the total amount  
114 distributed under section 66.620 for the twelve-month period immediately  
115 preceding the effective date of the tax levied pursuant to the provisions of this  
116 section has been distributed;

117 (2) All moneys received in excess of the total amount distributed under  
118 section 66.620 for the twelve-month period immediately preceding the effective  
119 date of the tax levied pursuant to the provisions of this section shall be  
120 distributed to all cities, towns and villages and to the county on the basis that the  
121 population of each city, town or village, and in the case of the county the basis  
122 that the population of the unincorporated area of the county, bears to the total  
123 population of the county. The average per capita sales tax distribution shall be  
124 calculated by dividing the sum of the remaining amount of the total sales tax  
125 revenues by the total population of the county. Population of each city, town or

126 village, of the unincorporated area of the county, and the total population of the  
127 county shall be determined on the basis of the most recent federal decennial  
128 census.

129           7. No municipality incorporated after the adoption of the tax authorized  
130 by this section shall be included as other than part of the unincorporated area of  
131 the county nor receive any share of either the proceeds from the tax levied  
132 pursuant to the provisions of this section or the tax levied pursuant to the  
133 provisions of sections 66.600 to 66.630 unless, at the time of incorporation, such  
134 municipality had a population of ten thousand or more.

135           8. The county sales tax imposed pursuant to this section on the purchase  
136 and sale of motor vehicles shall not be collected and remitted by the seller, but  
137 shall be collected by the director of revenue at the time application is made for  
138 a certificate of title, if the address of the applicant is within the county imposing  
139 the additional sales tax. [The amounts so collected, less one percent collection  
140 cost, shall be deposited in the county sales tax trust fund to be distributed in  
141 accordance with section 66.620. The purchase or sale of motor vehicles shall be  
142 deemed to be consummated at the address of the applicant for a certificate of  
143 title.]

144           9. No tax shall be imposed pursuant to this section for the purpose of  
145 funding in whole or in part the construction, operation or maintenance of a sports  
146 stadium, field house, indoor or outdoor recreational facility, center, playing field,  
147 parking facility or anything incidental or necessary to a complex suitable for any  
148 type of professional sport, either upon, above or below the ground.

149           10. The director of revenue may authorize the state treasurer to make  
150 refunds from the amounts in the trust fund and credited to any county for  
151 erroneous payments and overpayments made, and may redeem dishonored checks  
152 and drafts deposited to the credit of such counties. If any county abolishes the  
153 tax, the county shall notify the director of revenue of the action [at least ninety  
154 days prior to the effective date of the repeal] and the director of revenue may  
155 order retention in the trust fund, for a period of one year, of two percent of the  
156 amount collected after receipt of such notice to cover possible refunds or  
157 overpayment of the tax and to redeem dishonored checks and drafts deposited to  
158 the credit of such accounts. After one year has elapsed after the effective date of  
159 abolition of the tax in such county, the director of revenue shall remit the balance  
160 in the account to the county and close the account of that county. The director  
161 of revenue shall notify each county of each instance of any amount refunded or

162 any check redeemed from receipts due the county.

67.582. 1. The governing body of any county, except a county of the first  
2 class with a charter form of government with a population of greater than four  
3 hundred thousand inhabitants, is hereby authorized to impose, by ordinance or  
4 order, a sales tax in the amount of up to one-half of one percent on all retail sales  
5 made in such county which are subject to taxation under [the provisions of  
6 sections 144.010 to 144.525] **chapter 144** for the purpose of providing law  
7 enforcement services for such county. The tax authorized by this section shall be  
8 in addition to any and all other sales taxes allowed by law, except that no  
9 ordinance or order imposing a sales tax under the provisions of this section shall  
10 be effective unless the governing body of the county submits to the voters of the  
11 county, at a county or state general, primary or special election, a proposal to  
12 authorize the governing body of the county to impose a tax.

13 2. The ballot of submission shall contain, but need not be limited to, the  
14 following language:

15 (1) If the proposal submitted involves only authorization to impose the tax  
16 authorized by this section the ballot shall contain substantially the following:

17 Shall the county of \_\_\_\_\_ (county's name) impose a countywide  
18 sales tax of \_\_\_\_\_ (insert amount) for the purpose of providing law  
19 enforcement services for the county?

20  YES  NO

21 If you are in favor of the question, place an "X" in the box opposite  
22 "YES". If you are opposed to the question, place an "X" in the box  
23 opposite "NO"; or

24 (2) If the proposal submitted involves authorization to enter into  
25 agreements to form a regional jail district and obligates the county to make  
26 payments from the tax authorized by this section the ballot shall contain  
27 substantially the following:

28 Shall the county of \_\_\_\_\_ (county's name) be authorized to enter  
29 into agreements for the purpose of forming a regional jail district  
30 and obligating the county to impose a countywide sales tax of  
31 \_\_\_\_\_ (insert amount) to fund \_\_\_\_\_ dollars of the costs to  
32 construct a regional jail and to fund the costs to operate a regional  
33 jail, with any funds in excess of that necessary to construct and  
34 operate such jail to be used for law enforcement purposes?

35  YES  NO

36 If you are in favor of the question, place an "X" in the box opposite  
37 "YES". If you are opposed to the question, place an "X" in the box  
38 opposite "NO".

39 If a majority of the votes cast on the proposal by the qualified voters voting  
40 thereon are in favor of the proposal submitted pursuant to subdivision (1) of this  
41 subsection, then the ordinance or order and any amendments thereto shall be in  
42 effect [on the first day of the second quarter immediately following the election  
43 approving the proposal] **as provided by subsection 19 of section 32.087**. If  
44 the constitutionally required percentage of the voters voting thereon are in favor  
45 of the proposal submitted pursuant to subdivision (2) of this subsection, then the  
46 ordinance or order and any amendments thereto shall be in effect [on the first  
47 day of the second quarter immediately following the election approving the  
48 proposal] **as provided by subsection 19 of section 32.087**. If a proposal  
49 receives less than the required majority, then the governing body of the county  
50 shall have no power to impose the sales tax herein authorized unless and until  
51 the governing body of the county shall again have submitted another proposal to  
52 authorize the governing body of the county to impose the sales tax authorized by  
53 this section and such proposal is approved by the required majority of the  
54 qualified voters voting thereon. However, in no event shall a proposal pursuant  
55 to this section be submitted to the voters sooner than twelve months from the  
56 date of the last proposal pursuant to this section.

57 3. All revenue received by a county from the tax authorized under the  
58 provisions of this section shall be deposited in a special trust fund and shall be  
59 used solely for providing law enforcement services for such county for so long as  
60 the tax shall remain in effect. Revenue placed in the special trust fund may also  
61 be utilized for capital improvement projects for law enforcement facilities and for  
62 the payment of any interest and principal on bonds issued for said capital  
63 improvement projects.

64 4. Once the tax authorized by this section is abolished or is terminated by  
65 any means, all funds remaining in the special trust fund shall be used solely for  
66 providing law enforcement services for the county. Any funds in such special  
67 trust fund which are not needed for current expenditures may be invested by the  
68 governing body in accordance with applicable laws relating to the investment of  
69 other county funds.

70 5. All sales taxes collected by the director of revenue under this section  
71 on behalf of any county[, less one percent for cost of collection which shall be

72 deposited in the state's general revenue fund after payment of premiums for  
73 surety bonds as provided in section 32.087,] shall be deposited in a special trust  
74 fund, which is hereby created, to be known as the "County Law Enforcement  
75 Sales Tax Trust Fund". [The moneys in the county law enforcement sales tax  
76 trust fund shall not be deemed to be state funds and shall not be commingled  
77 with any funds of the state.] The director of revenue shall keep accurate records  
78 of the amount of money in the trust and which was collected in each county  
79 imposing a sales tax under this section, and the records shall be open to the  
80 inspection of officers of the county and the public. Not later than the tenth day  
81 of each month the director of revenue shall distribute all moneys deposited in the  
82 trust fund during the preceding month to the county which levied the tax; such  
83 funds shall be deposited with the county treasurer of each such county, and all  
84 expenditures of funds arising from the county law enforcement sales tax trust  
85 fund shall be by an appropriation act to be enacted by the governing body of each  
86 such county. Expenditures may be made from the fund for any law enforcement  
87 functions authorized in the ordinance or order adopted by the governing body  
88 submitting the law enforcement tax to the voters.

89         6. The director of revenue may authorize the state treasurer to make  
90 refunds from the amounts in the trust fund and credited to any county for  
91 erroneous payments and overpayments made, and may redeem dishonored checks  
92 and drafts deposited to the credit of such counties. If any county abolishes the  
93 tax, **the repeal of such tax shall become effective as provided in**  
94 **subsection 19 of section 32.087.** The county shall notify the director of  
95 revenue of the action [at least ninety days prior to the effective date of the  
96 repeal] and the director of revenue may order retention in the trust fund, for a  
97 period of one year, of two percent of the amount collected after receipt of such  
98 notice to cover possible refunds or overpayment of the tax and to redeem  
99 dishonored checks and drafts deposited to the credit of such accounts. After one  
100 year has elapsed after the effective date of abolition of the tax in such county, the  
101 director of revenue shall remit the balance in the account to the county and close  
102 the account of that county. The director of revenue shall notify each county of  
103 each instance of any amount refunded or any check redeemed from receipts due  
104 the county.

105         7. Except as modified in this section, all provisions of sections 32.085  
106 [and] to 32.087 shall apply to the tax imposed under this section.

67.583. 1. The governing body of any county of the second class with a

2 population of more than forty thousand but less than sixty thousand and which  
3 contains institutions operated by the department of corrections and by the  
4 department of mental health is hereby authorized to impose, by ordinance or  
5 order, a sales tax in the amount of one-eighth of one percent on all retail sales  
6 made in such county which are subject to taxation under [the provisions of  
7 sections 144.010 to 144.525] **chapter 144**. The tax authorized by this section  
8 shall be in addition to any and all other sales taxes allowed by law; provided,  
9 however, that no ordinance or order imposing a sales tax under the provisions of  
10 this section shall be effective unless the governing body of the county submits to  
11 the voters of the county, at a county or state general, primary or special election,  
12 a proposal to authorize the governing body of the county to impose a tax.

13 2. The ballot of submission shall contain, but need not be limited to, the  
14 following language:

15 Shall the county of \_\_\_\_\_ (county's name) impose a countywide  
16 sales tax of \_\_\_\_\_ (insert amount) for the purpose of providing  
17 retirement and health care benefits for county employees and their  
18 dependents?

19  YES  NO

20 If you are in favor of the question, place an "X" in the box opposite  
21 "YES". If you are opposed to the question, place an "X" in the box  
22 opposite "NO".

23 If a majority of the votes cast on the proposal by the qualified voters voting  
24 thereon are in favor of the proposal, then the ordinance or order and any  
25 amendments thereto shall be in effect **as provided in subsection 19 of**  
26 **section 32.087**. If a majority of the votes cast by the qualified voters voting are  
27 opposed to the proposal, then the governing body of the county shall have no  
28 power to impose the sales tax herein authorized unless and until the governing  
29 body of the county shall again have submitted another proposal to authorize the  
30 governing body of the county to impose the sales tax authorized by this section  
31 and such proposal is approved by a majority of the qualified voters voting  
32 thereon. However, in no event shall a proposal pursuant to this section be  
33 submitted to the voters sooner than twelve months from the date of the last  
34 proposal pursuant to this section.

35 3. All revenue received by a county from the tax authorized under the  
36 provisions of this section shall be deposited in a special trust fund and shall be  
37 used solely for providing retirement and health care benefits for county employees

38 and their dependents.

39 4. All sales taxes collected by the director of revenue under this section  
40 on behalf of any county[, less one percent for cost of collection which shall be  
41 deposited in the state's general revenue fund after payment of premiums for  
42 surety bonds as provided in section 32.087,] shall be deposited in a special trust  
43 fund, which is hereby created, to be known as the "County Employee Benefit  
44 Sales Tax Trust Fund". [The moneys in the county employee benefit sales tax  
45 trust fund shall not be deemed to be state funds and shall not be commingled  
46 with any funds of the state.] The director of revenue shall keep accurate records  
47 of the amount of money in the trust and which was collected in each county  
48 imposing a sales tax under this section, and the records shall be open to the  
49 inspection of officers of the county and the public. Not later than the tenth day  
50 of each month, the director of revenue shall distribute all moneys deposited in the  
51 trust fund during the preceding month to the county which levied the tax. Such  
52 funds shall be deposited with the county treasurer of each such county, and all  
53 expenditures of funds arising from the county employee benefit sales tax trust  
54 fund shall be for the provision of retirement benefits or health care benefits for  
55 employees of the county and their dependents and for no other purpose.

56 5. The director of revenue may authorize the state treasurer to make  
57 refunds from the amounts in the trust fund and credited to any county for  
58 erroneous payments and overpayments made and may redeem dishonored checks  
59 and drafts deposited to the credit of such counties. If any county abolishes the  
60 tax, the county shall notify the director of revenue of the action [at least ninety  
61 days prior to the effective date of the repeal] and the director of revenue may  
62 order retention in the trust fund, for a period of one year, of two percent of the  
63 amount collected after receipt of such notice to cover possible refunds or  
64 overpayment of the tax and to redeem dishonored checks and drafts deposited to  
65 the credit of such accounts. After one year has elapsed after the effective date of  
66 abolition of the tax in such county, the director of revenue shall remit the balance  
67 in the account to the county and close the account of that county. The director  
68 of revenue shall notify each county of each instance of any amount refunded or  
69 any check redeemed from receipts due the county.

70 6. Except as modified in this section, all provisions of sections 32.085  
71 [and] to 32.087 shall apply to the tax imposed under this section.

67.584. 1. The governing body of any county of the first classification with  
2 more than one hundred ninety-eight thousand but less than one hundred

3 ninety-eight thousand two hundred inhabitants is hereby authorized to impose,  
4 by ordinance or order, a sales tax in the amount of up to one-half percent on all  
5 retail sales made in such county which are subject to taxation [pursuant to  
6 sections 144.010 to 144.525] **under chapter 144** for the purpose of providing law  
7 enforcement services for such county. The tax authorized by this section shall be  
8 in addition to any and all other sales taxes allowed by law, except that no  
9 ordinance or order imposing a sales tax pursuant to this section shall be effective  
10 unless the governing body of the county submits to the voters of the county, at a  
11 county or state general, primary, or special election, a proposal to authorize the  
12 governing body of the county to impose a tax.

13 2. If the proposal submitted involves only authorization to impose the tax  
14 authorized by this section, the ballot of submission shall contain, but need not be  
15 limited to, the following language:

16 Shall the county of \_\_\_\_\_ (county's name) impose a countywide  
17 sales tax of \_\_\_\_\_ (insert amount) for the purpose of providing law  
18 enforcement services for the county?

19  YES  NO

20 If you are in favor of the question, place an "X" in the box opposite  
21 "YES". If you are opposed to the question, place an "X" in the box  
22 opposite "NO".

23 If a majority of the votes cast on the proposal by the qualified voters voting  
24 thereon are in favor of the proposal submitted pursuant to this subsection, then  
25 the ordinance or order and any amendments thereto shall be in effect [on the first  
26 day of the second quarter immediately following the election approving the  
27 proposal] **as provided by subsection 19 of section 32.087**. If a proposal  
28 receives less than the required majority, then the governing body of the county  
29 shall have no power to impose the sales tax herein authorized unless and until  
30 the governing body of the county shall again have submitted another proposal to  
31 authorize the governing body of the county to impose the sales tax authorized by  
32 this section and such proposal is approved by the required majority of the  
33 qualified voters voting thereon. However, in no event shall a proposal pursuant  
34 to this section be submitted to the voters sooner than twelve months from the  
35 date of the last proposal pursuant to this section.

36 3. Twenty-five percent of the revenue received by a county treasurer from  
37 the tax authorized pursuant to this section shall be deposited in a special trust  
38 fund and shall be used solely by a prosecuting attorney's office for such county for

39 so long as the tax shall remain in effect. The remainder of revenue shall be  
40 deposited in the county law enforcement sales tax trust fund established  
41 pursuant to section 67.582 of the county levying the tax pursuant to this  
42 section. The revenue derived from the tax imposed pursuant to this section shall  
43 be used for public law enforcement services only. No revenue derived from the  
44 tax imposed pursuant to this section shall be used for any private contractor  
45 providing law enforcement services or for any private jail.

46 4. Once the tax authorized by this section is abolished or is terminated by  
47 any means, all funds remaining in the prosecuting attorney's trust fund shall be  
48 used solely by a prosecuting attorney's office for the county. Any funds in such  
49 special trust fund which are not needed for current expenditures may be invested  
50 by the governing body in accordance with applicable laws relating to the  
51 investment of other county funds.

52 5. All sales taxes collected by the director of revenue pursuant to this  
53 section on behalf of any county[, less one percent for cost of collection which shall  
54 be deposited in the state's general revenue fund after payment of premiums for  
55 surety bonds as provided in section 32.087,] shall be deposited in a special trust  
56 fund, which is hereby created, to be known as the "County Prosecuting Attorney's  
57 Office Sales Tax Trust Fund" or in the county law enforcement sales tax trust  
58 fund, pursuant to the deposit ratio in subsection 3 of this section. [The moneys  
59 in the trust funds shall not be deemed to be state funds and shall not be  
60 commingled with any funds of the state.] The director of revenue shall keep  
61 accurate records of the amount of money in the trusts and which was collected in  
62 each county imposing a sales tax pursuant to this section, and the records shall  
63 be open to the inspection of officers of the county and the public. Not later than  
64 the tenth day of each month the director of revenue shall distribute all moneys  
65 deposited in the trust funds during the preceding month to the county which  
66 levied the tax; such funds shall be deposited with the county treasurer of each  
67 such county, and all expenditures of funds arising from either trust fund shall be  
68 by an appropriation act to be enacted by the governing body of each such  
69 county. Expenditures may be made from the funds for any functions authorized  
70 in the ordinance or order adopted by the governing body submitting the tax to the  
71 voters.

72 6. The director of revenue may authorize the state treasurer to make  
73 refunds from the amounts in the trust funds and credited to any county for  
74 erroneous payments and overpayments made, and may redeem dishonored checks

75 and drafts deposited to the credit of such counties. If any county abolishes the  
76 tax, **the repeal of such tax shall become effective as provided in**  
77 **subsection 19 of section 32.087.** The county shall notify the director of  
78 revenue of the action [at least ninety days before the effective date of the repeal]  
79 and the director of revenue may order retention in the appropriate trust fund, for  
80 a period of one year, of two percent of the amount collected after receipt of such  
81 notice to cover possible refunds or overpayments of the tax and to redeem  
82 dishonored checks and drafts deposited to the credit of such accounts. After one  
83 year has elapsed after the effective date of abolition of the tax in such county, the  
84 director of revenue shall remit the balance in the account to the county and close  
85 the account of that county established pursuant to this section. The director of  
86 revenue shall notify each county of each instance of any amount refunded or any  
87 check redeemed from receipts due the county.

88 7. Except as modified in this section, all provisions of sections 32.085  
89 [and] to 32.087 shall apply to the tax imposed pursuant to this section.

67.712. 1. All sales taxes collected by the director of revenue under  
2 sections 67.700 to 67.727 on behalf of any county[, less one percent for the cost  
3 of collection, which shall be deposited in the state's general revenue fund after  
4 payment of premiums for surety bonds as provided in section 32.087,] shall be  
5 deposited with the state treasurer in a special trust fund, which is hereby  
6 created, to be known as the "County Alternate Sales Tax Trust Fund". [The  
7 moneys in the county alternate sales tax trust fund shall not be deemed to be  
8 state funds and shall not be commingled with any funds of the state.] The  
9 director of revenue shall keep accurate records of the amount of money in the  
10 trust fund which was collected in each county imposing a sales tax under sections  
11 67.700 to 67.727, and the records shall be open to the inspection of officers of each  
12 county and the general public. Not later than the tenth day of each month the  
13 director of revenue shall distribute all moneys deposited in the trust fund during  
14 the preceding month by distributing to the county treasurer, or such other officer  
15 as may be designated by the county ordinance or order, of each county imposing  
16 the tax authorized by sections 67.700 to 67.727, the sum, as certified by the  
17 director of revenue, due the county.

18 2. The director of revenue may authorize the state treasurer to make  
19 refunds from the amounts in the trust fund and credited to any county for  
20 erroneous payments and overpayments made, and may redeem dishonored checks  
21 and drafts deposited to the credit of such counties. If any county repeals the tax

22 authorized by sections 67.700 to 67.727, the county shall notify the director of  
23 revenue of the action [at least ninety days] prior to the effective date of the  
24 repeal and **the repeal shall be effective as provided by subsection 19 of**  
25 **section 32.087.** The director of revenue may order retention in the trust fund,  
26 for a period of one year, of two percent of the amount collected after receipt of  
27 such notice to cover possible refunds or overpayment of such tax and to redeem  
28 dishonored checks and drafts deposited to the credit of such accounts. After one  
29 year has elapsed after the effective date of repeal of the tax authorized by  
30 sections 67.700 to 67.727 in such county, the director of revenue shall authorize  
31 the state treasurer to remit the balance in the account to the county and close the  
32 account of that county. The director of revenue shall notify each county of each  
33 instance of any amount refunded or any check redeemed from receipts due the  
34 county.

35 3. Except as modified in sections 67.700 to 67.727, all provisions of  
36 sections 32.085 [and] to 32.087 shall apply to the tax imposed under sections  
37 67.700 to 67.727.

67.713. 1. Notwithstanding the provisions of section 67.712, as to the  
2 disposition of any other sales tax imposed under the provisions of sections 67.700  
3 to 67.727, one-fifth of the sales taxes collected by the director of revenue from the  
4 tax authorized by section 67.701 on behalf of any county of the first class having  
5 a charter form of government and having a population of nine hundred thousand  
6 or more[, less one percent for cost of collection, which shall be deposited in the  
7 state's general revenue fund after payment of premiums for surety bonds as  
8 provided in sections 67.700 to 67.727,] shall be deposited in a special trust fund,  
9 which is hereby created, to be known as the "County-Municipal Storm Water and  
10 Public Works Sales Tax Trust Fund". [The moneys in the county-municipal storm  
11 water and public works sales tax trust fund shall not be deemed to be state funds  
12 and shall not be commingled with any funds of the state.] The director of revenue  
13 shall keep accurate records of the amount of money in the trust fund which was  
14 collected in each county and the records shall be open to the inspection of officers  
15 of the county and of the municipalities within the county and the public. Not  
16 later than the tenth day of each month, the director of the department of revenue  
17 shall distribute all moneys deposited in the county-municipal storm water and  
18 public works sales tax trust fund during the preceding month to the county which  
19 levied the tax, and the municipalities which are located wholly or partially within  
20 such county as follows:

21 (1) The county which levied the sales tax shall receive a percentage of the  
22 distributable revenue equal to the percentage ratio that the population of the  
23 unincorporated areas of the county bears to the total population of the county;

24 (2) Each municipality located wholly within the county which levied the  
25 tax shall receive a percentage of the distributable revenue equal to the percentage  
26 ratio that the population of such municipality bears to the total population of the  
27 county; and

28 (3) Each municipality located partially within the county which levied the  
29 tax shall receive a percentage of the distributable revenue equal to the percentage  
30 ratio that the population of that part of the municipality located within the  
31 county bears to the total population of the county.

32 2. The director of revenue may make refunds from the amounts in the  
33 county-municipal storm water and public works sales tax trust fund and credited  
34 to any county or municipality for erroneous payments and overpayments made,  
35 and may redeem dishonored checks and drafts deposited to the credit of such  
36 county or municipality. If any county abolishes the tax, the county shall notify  
37 the director of revenue of the action [at least ninety days] prior to the effective  
38 date of the repeal and **the repeal shall be effective as provided by**  
39 **subsection 19 of section 32.087.** The director of revenue may order retention  
40 in the county-municipal storm water and public works sales tax trust fund, for  
41 a period of one year, of two percent of the amount collected after receipt of such  
42 notice to cover possible refunds or overpayment of the tax and to redeem  
43 dishonored checks and drafts deposited to the credit of such accounts. After one  
44 year has elapsed after the effective date of abolition of the tax in such county, the  
45 director of revenue shall remit the balance in the account to the county or  
46 municipality and close the account of that county or municipality. The director  
47 of revenue shall notify each county or municipality of each instance of any  
48 amount refunded or any check redeemed from receipts due the county or  
49 municipality.

50 3. If the governing body of any municipality located wholly or partially  
51 within the county so requests by resolution, no funds shall be expended from the  
52 proceeds of any tax imposed under section 67.701 within the corporate boundaries  
53 of the requesting municipality for the construction, reconstruction or widening of  
54 any road established or to be established pursuant to section 137.558, the total  
55 cost of which exceeds one hundred thousand dollars unless: (a) a public hearing  
56 is first held at a place near such proposed action; and (b) plans and specifications

57 of such proposed action are prepared and a cost-benefit analysis prepared in  
58 accordance with accepted accounting principles of such proposed action is  
59 presented to such public hearing. Such cost-benefit analysis and its work papers  
60 shall be a public document and subject to inspection as provided in chapter  
61 610. The provisions of this subsection shall not apply to proposed projects in  
62 unincorporated areas of the county.

67.729. 1. Any county except any first class county having a charter form  
2 of government and having a population of nine hundred thousand or more may,  
3 in the same manner and by the same procedure and subject to the same penalties  
4 as set out in sections 67.700 to 67.727, impose a sales tax of not more than  
5 one-tenth of one percent **on all retail sales made in the county which are**  
6 **subject to sales tax under chapter 144** for the purpose of funding storm  
7 water control and public works projects other than stadiums or other sports  
8 facilities. This sales tax shall be in addition to any other sales tax authorized by  
9 law.

10 2. Notwithstanding the provisions of section 67.712 as to the disposition  
11 of any other sales tax imposed under the provisions of sections 67.700 to 67.727,  
12 all sales taxes collected by the director of revenue from the tax authorized by this  
13 section on behalf of any county[, less one percent for cost of collection, which shall  
14 be deposited in the state's general revenue fund after payment of premiums for  
15 surety bonds as provided in section 32.087,] shall be deposited with the state  
16 treasurer in a special trust fund, which is hereby created, to be known as the  
17 "County Storm Water and Public Works Sales Tax Trust Fund". [The moneys in  
18 the county storm water and public works sales tax trust fund shall not be deemed  
19 to be state funds and shall not be commingled with any funds of the state.] The  
20 director of revenue shall keep accurate records of the amount of money in the  
21 trust fund which was collected in each county imposing a sales tax under this  
22 section and the records shall be open to the inspection of officers of the county  
23 and the public. Not later than the tenth day of each month the director of  
24 revenue shall distribute all moneys deposited in the county storm water and  
25 public works sales tax trust fund during the preceding month to the county which  
26 levied the tax, and the municipalities which are located wholly or partially within  
27 such county as follows:

28 (1) The county which levied the sales tax shall receive a percentage of the  
29 distributable revenue equal to the percentage ratio that the population of the  
30 unincorporated areas of the county bears to the total population of the county;

31 (2) Each municipality located wholly within the county which levied the  
32 tax shall receive a percentage of the distributable revenue equal to the percentage  
33 ratio that the population of such municipality bears to the total population of the  
34 county; and

35 (3) Each municipality located partially within the county which levied the  
36 tax shall receive a percentage of the distributable revenue equal to the percentage  
37 ratio that the population of that part of the municipality located within the  
38 county bears to the total population of the county.

39 3. The director of revenue may authorize the state treasurer to make  
40 refunds from the amounts in the county storm water and public works sales tax  
41 trust fund and credited to any county for erroneous payments and overpayments  
42 made, and may redeem dishonored checks and drafts deposited to the credit of  
43 such counties. If any county abolishes the tax, the county shall notify the director  
44 of revenue of the action [at least ninety days] prior to the effective date of the  
45 repeal and **the repeal shall be effective as provided by subsection 19 of**  
46 **section 32.087.** The director of revenue may order retention in the county storm  
47 water and public works sales tax trust fund, for a period of one year, of two  
48 percent of the amount collected after receipt of such notice to cover possible  
49 refunds or overpayment of the tax and to redeem dishonored checks and drafts  
50 deposited to the credit of such accounts. After one year has elapsed after the  
51 effective date of abolition of the tax in such county, the director of revenue shall  
52 authorize the state treasurer to remit the balance in the account to the county  
53 and close the account of that county. The director of revenue shall notify each  
54 county of each instance of any amount refunded or any check redeemed from  
55 receipts due the county.

56 4. **Except as modified in this section, all provisions of sections**  
57 **32.085 to 32.087 shall apply to the tax imposed under this section.**

67.737. Except as modified in sections 67.730 to 67.739, all provisions of  
2 sections 32.085 [and] to 32.087 shall apply to the tax imposed under sections  
3 67.730 to 67.739.

67.738. 1. All sales taxes collected by the director of revenue under  
2 sections 67.730 to 67.739 on behalf of any county[, less one percent for the cost  
3 of collection, which shall be deposited in the state's general revenue fund after  
4 payment of premiums for surety bonds as provided in section 32.087,] shall be  
5 deposited with the state treasurer in a special trust fund, which is hereby  
6 created, to be known as the "County Capital Improvement Bond Sales Tax Trust

7 Fund". [The moneys in the county capital improvement bond sales tax trust fund  
8 shall not be deemed to be state funds and shall not be commingled with any funds  
9 of the state.] The director of revenue shall keep accurate records of the amount  
10 of money in the trust fund which was collected in each county imposing a sales  
11 tax under sections 67.730 to 67.739, and the records shall be open to the  
12 inspection of officers of each county and the general public. Not later than the  
13 tenth day of each month the director of revenue shall distribute all moneys  
14 deposited in the trust fund during the preceding month by distributing to the  
15 county treasurer, or such other officer as may be designated by the county  
16 ordinance or order, of each county imposing the tax authorized by sections 67.730  
17 to 67.739, the sum, as certified by the director of revenue, due the county.

18 2. The director of revenue may authorize the state treasurer to make  
19 refund from the amounts in the trust fund and credited to any county for  
20 erroneous payments and overpayments made, and may redeem dishonored checks  
21 and drafts deposited to the credit of such counties. If any county repeals the tax  
22 authorized by sections 67.730 to 67.739, the county shall notify the director of  
23 revenue of the action [at least ninety days] prior to the effective date of the  
24 repeal or expiration and **the repeal shall be effective as provided by**  
25 **subsection 19 of section 32.087.** The director of revenue may order retention  
26 in the trust fund, for a period of one year, of two percent of the amount collected  
27 after receipt of such notice to cover possible refunds or overpayment of such tax  
28 and to redeem dishonored checks and drafts deposited to the credit of such  
29 accounts. After one year has elapsed after the effective date of repeal or  
30 expiration of the tax authorized by sections 67.730 to 67.739 in such county, the  
31 director of revenue shall remit the balance in the account to the county and close  
32 the account of that county. The director of revenue shall notify each county of  
33 each instance of any amount refunded or any check redeemed from receipts due  
34 the county.

67.745. 1. Any county of the third classification without a township form  
2 of government and with more than eleven thousand seven hundred fifty but fewer  
3 than eleven thousand eight hundred fifty inhabitants may impose a sales tax  
4 throughout the county **on all retail sales made in the county which are**  
5 **subject to sales tax under chapter 144** for public recreational projects and  
6 programs, but the sales tax authorized by this section shall not become effective  
7 unless the governing body of such county submits to the qualified voters of the  
8 county a proposal to authorize the county to impose the sales tax.

9           2. The ballot submission shall be in substantially the following form:  
10           Shall the County of \_\_\_\_\_ impose a sales tax of up to one percent  
11           for the purpose of funding the financing, acquisition, construction,  
12           operation, and maintenance of recreational projects and programs,  
13           including the acquisition of land for such purposes?

14                            YES    NO

15           3. If approved by a majority of qualified voters **voting on the issue** in  
16 the county, the governing body of the county shall appoint a board of directors  
17 consisting of nine members. Of the initial members appointed to the board, three  
18 members shall be appointed for a term of three years, three members shall be  
19 appointed for a term of two years, and three members shall be appointed for a  
20 term of one year. After the initial appointments, board members shall be  
21 appointed to three-year terms.

22           4. The sales tax may be imposed at a rate of up to one percent on the  
23 receipts from the retail sale of all tangible personal property or taxable service  
24 within the county[, if such property and services are subject to taxation by the  
25 state of Missouri under sections 144.010 to 144.525].

26           5. All revenue collected from the sales tax under this section by the  
27 director of revenue on behalf of a county[, less one percent for the cost of  
28 collection which shall be deposited in the state's general revenue fund after  
29 payment of premiums for surety bonds as provided in section 32.087,] shall be  
30 deposited with the state treasurer in a special trust fund, which is hereby  
31 created, to be known as the "County Recreation Sales Trust Fund". [Moneys in  
32 the fund shall not be deemed to be state funds and shall not be commingled with  
33 any funds of the state.] The director of revenue shall keep accurate records of the  
34 amount of money in the trust fund collected in each county imposing a sales tax  
35 under this section, and the records shall be open to the inspection of officers of  
36 such county and the general public. Not later than the tenth day of each  
37 calendar month, the director of revenue shall distribute all moneys deposited in  
38 the trust fund during the preceding calendar month by distributing to the county  
39 treasurer, or such officer as may be designated by county ordinance or order, of  
40 each county imposing the tax under this section the sum due the county as  
41 certified by the director of revenue.

42           6. The director of revenue may authorize the state treasurer to make  
43 refunds from the amounts in the trust fund and credited to any county for  
44 erroneous payments and overpayments made, and may redeem dishonored checks

45 and drafts deposited to the credit of such counties. Each county shall notify the  
46 director of revenue [at least ninety days] prior to the effective date of the  
47 expiration of the sales tax authorized by this section and **the repeal shall be**  
48 **effective as provided by subsection 19 of section 32.087.** The director of  
49 revenue may order retention in the trust fund for a period of one year of two  
50 percent of the amount collected after receipt of such notice to cover possible  
51 refunds or overpayments of such tax and to redeem dishonored checks and drafts  
52 deposited to the credit of such accounts. After one year has elapsed after the date  
53 of expiration of the tax authorized by this section in a county, the director of  
54 revenue shall remit the balance in the account to the county and close the account  
55 of such county. The director of revenue shall notify each county of each instance  
56 of any amount refunded or any check redeemed from receipts due such county.

57 7. The tax authorized under this section may be imposed in accordance  
58 with this section by a county in addition to or in lieu of the tax authorized in  
59 sections 67.750 to 67.780.

60 8. The sales tax imposed under this section shall expire twenty years from  
61 the effective date thereof unless an extension of the tax is submitted to and  
62 approved by the qualified voters in the county in the manner provided in this  
63 section. Each extension of the sales tax shall be for a period of ten years.

64 9. The provisions of this section shall not in any way affect or limit the  
65 powers granted to any county to establish, maintain, and conduct parks and other  
66 recreational grounds for public recreation.

67 10. Except as modified in this section, the provisions of sections 32.085  
68 [and] to 32.087 shall apply to the tax imposed under this section.

67.782. 1. Any county of the third class having a population of more than  
2 ten thousand and less than fifteen thousand and any county of the second class  
3 having a population of more than fifty-eight thousand and less than seventy  
4 thousand adjacent to such third class county, both counties making up the same  
5 judicial circuit, may jointly impose a sales tax throughout each of their respective  
6 counties **on all retail sales made in the county which are subject to sales**  
7 **tax under chapter 144** for public recreational purposes including the financing,  
8 acquisition, construction, operation and maintenance of recreational projects and  
9 programs, but the sales taxes authorized by this section shall not become effective  
10 unless the governing body of each such county submits to the voters of their  
11 respective counties a proposal to authorize the counties to impose the sales tax.

12 2. The ballot of submission shall be in substantially the following form:

13            Shall the County of \_\_\_\_\_ impose a sales tax of \_\_\_\_\_ percent in  
14            conjunction with the county of \_\_\_\_\_ for the purpose of funding the  
15            financing, acquisition, construction, operation and maintenance of  
16            recreational projects and programs, including the acquisition of  
17            land for such purposes?

18                             YES     NO

19    If a separate majority of the votes cast on the proposal by the qualified voters  
20    voting thereon in each county are in favor of the proposal, then the tax shall be  
21    in effect in both counties. If a majority of the votes cast by the qualified voters  
22    voting thereon in either county are opposed to the proposal, then the governing  
23    body of neither county shall have power to impose the sales tax authorized by this  
24    section unless or until the governing body of the county that has not approved the  
25    tax shall again have submitted another proposal to authorize the governing body  
26    to impose the tax, and the proposal is approved by a majority of the qualified  
27    voters voting thereon in that county.

28            3. The sales tax may be imposed at a rate of one percent on the receipts  
29    from the sale at retail of all tangible personal property or taxable service at retail  
30    within the county adopting such tax, if such property and services are subject to  
31    taxation by the state of Missouri under [the provisions of sections 144.010 to  
32    144.525] **chapter 144**.

33            4. All sales taxes collected by the director of revenue under this section  
34    on behalf of any county[, less one percent for the cost of collection, which shall be  
35    deposited in the state's general revenue fund after payment of premiums for  
36    surety bonds as provided in section 32.087,] shall be deposited with the state  
37    treasurer in a special trust fund, which is hereby created, to be known as the  
38    "County Recreation Sales Tax Trust Fund". [The moneys in the county recreation  
39    sales tax trust fund shall not be deemed to be state funds and shall not be  
40    commingled with any funds of the state.] The director of revenue shall keep  
41    accurate records of the amount of money in the trust fund which was collected in  
42    each county imposing a sales tax under this section, and the records shall be open  
43    to the inspection of officers of each county and the general public. Not later than  
44    the tenth day of each month, the director of revenue shall distribute all moneys  
45    deposited in the trust fund during the preceding month by distributing to the  
46    county treasurer, or such other officer as may be designated by the county  
47    ordinance or order, of each county imposing the tax authorized by this section, the  
48    sum, as certified by the director of revenue, due the county.

49           5. The director of revenue may authorize the state treasurer to make  
50 refunds from the amounts in the trust fund and credited to any county for  
51 erroneous payments and overpayments made, and may redeem dishonored checks  
52 and drafts deposited to the credit of such counties. Each county shall notify the  
53 director of revenue [at least ninety days] prior to the effective date of the  
54 expiration of the sales tax authorized by this section and **the repeal shall be**  
55 **effective as provided by subsection 19 of section 32.087.** The director of  
56 revenue may order retention in the trust fund, for a period of one year, of two  
57 percent of the amount collected after receipt of such notice to cover possible  
58 refunds or overpayment of such tax and to redeem dishonored checks and drafts  
59 deposited to the credit of such accounts. After one year has elapsed after the date  
60 of expiration of the tax authorized by this section in such county, the director of  
61 revenue shall remit the balance in the account to the county and close the account  
62 of that county. The director of revenue shall notify each county of each instance  
63 of any amount refunded or any check redeemed from receipts due the county.

64           6. The tax authorized by this section may be imposed, in accordance with  
65 this section, by a county in addition to or in lieu of the tax authorized by sections  
66 67.750 to 67.780.

67           7. Any county imposing a sales tax pursuant to the provisions of this  
68 section may contract with the authority of any other county or with any city or  
69 political subdivision for the financing, acquisition, operation, construction,  
70 maintenance, or utilization of any recreation facility or project or program funded  
71 in whole or in part from revenues derived from the tax levied pursuant to the  
72 provisions of this section.

73           8. The sales tax imposed pursuant to the provisions of this section shall  
74 expire twenty-five years from the effective date thereof unless an extension of the  
75 tax is submitted to and approved by the voters in each county in the manner  
76 provided in this section. Each extension of the sales tax shall be for a period of  
77 ten years.

78           9. The governing body of each of the counties imposing a sales tax under  
79 the provisions of this section may cooperate with the governing body of any  
80 county or other political subdivision of this state in carrying out the provisions  
81 of this section, and may establish and conduct jointly a system of public  
82 recreation. The respective governing bodies administering programs jointly may  
83 provide by agreement among themselves for all matters connected with the  
84 programs and determine what items of cost and expense shall be paid by each.

85 10. The provisions of this section shall not in any way repeal, affect or  
86 limit the powers granted to any county to establish, maintain and conduct parks  
87 and other recreational grounds for public recreation.

88 11. Except as modified in this section, all provisions of sections 32.085  
89 [and] to 32.087 shall apply to the tax imposed under this section.

67.799. 1. A regional recreational district may, by a majority vote of its  
2 board of directors, impose an annual property tax for the establishment and  
3 maintenance of public parks and recreational facilities and grounds within the  
4 boundaries of the regional recreational district not to exceed sixty cents per year  
5 on each one hundred dollars of assessed valuation on all property within the  
6 district, except that no such tax shall become effective unless the board of  
7 directors of the district submits to the voters of the district, at a county or state  
8 general, primary or special election, a proposal to authorize the tax.

9 2. The question shall be submitted in substantially the following form:

10 Shall a \_\_\_\_\_ cent tax per one hundred dollars assessed valuation  
11 be levied for public parks and recreational facilities?

12  YES  NO

13 If a majority of the votes cast on the proposal by the qualified voters voting  
14 thereon are in favor of the proposal, then the tax shall become effective **as**  
15 **provided by subsection 19 of section 32.087**. If a majority of the votes cast  
16 by the qualified voters voting are opposed to the proposal, then the board of  
17 directors shall have no power to impose the tax unless and until the board of  
18 directors of the district submits another proposal to authorize the tax and such  
19 proposal is approved by a majority of the qualified voters voting thereon.

20 3. The property tax authorized in subsections 1 and 2 of this section shall  
21 be levied and collected in the same manner as other ad valorem property taxes  
22 are levied and collected.

23 4. (1) A regional recreational district may, by a majority vote of its board  
24 of directors, impose a tax not to exceed one-half of one cent on all retail sales  
25 subject to taxation [pursuant to sections 144.010 to 144.525] **under chapter 144**  
26 for the purpose of funding the creation, operation and maintenance of public  
27 parks, recreational facilities and grounds within the boundaries of a regional  
28 recreational district. The tax authorized by this subsection shall be in addition  
29 to all other sales taxes allowed by law. No tax pursuant to this subsection shall  
30 become effective unless the board of directors submits to the voters of the district,  
31 at a county or state general, primary or special election, a proposal to authorize

32 the tax, and such tax shall become effective only after the majority of the voters  
33 voting on such tax approve such tax.

34 (2) In the event the district seeks to impose a sales tax pursuant to this  
35 subsection, the question shall be submitted in substantially the following form:

36 Shall a \_\_\_\_\_ cent sales tax be levied on all retail sales within the  
37 district for public parks and recreational facilities?

38  YES  NO

39 If a majority of the votes cast on the proposal by the qualified voters voting  
40 thereon are in favor of the proposal, then the tax shall become effective **as**  
41 **provided by subsection 19 of section 32.087**. If a majority of the votes cast  
42 by the qualified voters voting are opposed to the proposal, then the board of  
43 directors shall have no power to impose the tax unless and until another proposal  
44 to authorize the tax is submitted to the voters of the district and such proposal  
45 is approved by a majority of the qualified voters voting thereon. The provisions  
46 of sections 32.085 [and] **to** 32.087 shall apply to any tax approved pursuant to  
47 this subsection.

48 5. As used in this section, "qualified voters" or "voters" means any  
49 individuals residing within the proposed district who are eligible to be registered  
50 voters and who have registered to vote under chapter 115 or, if no individuals  
51 eligible and registered to vote reside within the proposed district, all of the  
52 owners of real property located within the proposed district who have  
53 unanimously petitioned for or consented to the adoption of an ordinance by the  
54 governing body imposing a tax authorized in this section. If the owner of the  
55 property within the proposed district is a political subdivision or corporation of  
56 the state, the governing body of such political subdivision or corporation shall be  
57 considered the owner for purposes of this section.

67.997. 1. The governing body of any county of the third classification  
2 without a township form of government and with more than eighteen thousand  
3 one hundred but fewer than eighteen thousand two hundred inhabitants may  
4 impose, by order or ordinance, a sales tax on all retail sales made within the  
5 county which are subject to sales tax under chapter 144. The tax authorized in  
6 this section shall not exceed one-fourth of one percent, and shall be imposed  
7 solely for the purpose of funding senior services and youth programs provided by  
8 the county. One-half of all revenue collected under this section[, less one-half the  
9 cost of collection,] shall be used solely to fund any service or activity deemed  
10 necessary by the senior service tax commission established in this section, and

11 one-half of all revenue collected under this section[, less one-half the cost of  
12 collection,] shall be used solely to fund all youth programs administered by an  
13 existing county community task force. The tax authorized in this section shall be  
14 in addition to all other sales taxes imposed by law, and shall be stated separately  
15 from all other charges and taxes. The order or ordinance shall not become  
16 effective unless the governing body of the county submits to the voters residing  
17 within the county at a state general, primary, or special election a proposal to  
18 authorize the governing body of the county to impose a tax under this section.

19 2. The ballot of submission for the tax authorized in this section shall be  
20 in substantially the following form:

21 Shall \_\_\_\_\_ (insert the name of the county) impose a sales tax at  
22 a rate of \_\_\_\_\_ (insert rate of percent) percent, with half of the  
23 revenue from the tax, less one-half the cost of collection, to be used  
24 solely to fund senior services provided by the county and half of the  
25 revenue from the tax, less one-half the cost of collection, to be used  
26 solely to fund youth programs provided by the county?

27  YES  NO

28 If you are in favor of the question, place an "X" in the box opposite  
29 "YES". If you are opposed to the question, place an "X" in the box  
30 opposite "NO".

31 If a majority of the votes cast on the question by the qualified voters voting  
32 thereon are in favor of the question, then the tax shall become effective [on the  
33 first day of the second calendar quarter immediately following the approval of the  
34 tax or notification to the department of revenue if such tax will be administered  
35 by the department of revenue] **as provided by subsection 19 of section**  
36 **32.087**. If a majority of the votes cast on the question by the qualified voters  
37 voting thereon are opposed to the question, then the tax shall not become effective  
38 unless and until the question is resubmitted under this section to the qualified  
39 voters and such question is approved by a majority of the qualified voters voting  
40 on the question.

41 3. [On or after the effective date of any tax authorized under this section,  
42 the county which imposed the tax shall enter into an agreement with the director  
43 of the department of revenue for the purpose of collecting the tax authorized in  
44 this section. On or after the effective date of the tax the director of revenue shall  
45 be responsible for the administration, collection, enforcement, and operation of  
46 the tax, and] Sections 32.085 [and] to 32.087 shall apply. All revenue collected

47 under this section by the director of the department of revenue on behalf of any  
48 county[, except for one percent for the cost of collection which shall be deposited  
49 in the state's general revenue fund,] shall be deposited in a special trust fund,  
50 which is hereby created and shall be known as the "Senior Services and Youth  
51 Programs Sales Tax Trust Fund", and shall be used solely for the designated  
52 purposes. [Moneys in the fund shall not be deemed to be state funds, and shall  
53 not be commingled with any funds of the state.] The director may make refunds  
54 from the amounts in the trust fund and credited to the county for erroneous  
55 payments and overpayments made, and may redeem dishonored checks and drafts  
56 deposited to the credit of such county. Any funds in the special trust fund which  
57 are not needed for current expenditures shall be invested in the same manner as  
58 other funds are invested. Any interest and moneys earned on such investments  
59 shall be credited to the fund.

60 4. [In order to permit sellers required to collect and report the sales tax  
61 to collect the amount required to be reported and remitted, but not to change the  
62 requirements of reporting or remitting the tax, or to serve as a levy of the tax,  
63 and in order to avoid fractions of pennies, the governing body of the county may  
64 authorize the use of a bracket system similar to that authorized in section  
65 144.285 and notwithstanding the provisions of that section, this new bracket  
66 system shall be used where this tax is imposed and shall apply to all taxable  
67 transactions.] Beginning with the effective date of the tax, every retailer in the  
68 county shall add the sales tax to the sale price, and this tax shall be a debt of the  
69 purchaser to the retailer until paid, and shall be recoverable at law in the same  
70 manner as the purchase price. [For purposes of this section, all retail sales shall  
71 be deemed to be consummated at the place of business of the retailer.]

72 5. All applicable provisions in [sections 144.010 to 144.525] **chapter 144**  
73 governing the state sales tax, and section 32.057, the uniform confidentiality  
74 provision, shall apply to the collection of the tax[, and all exemptions granted to  
75 agencies of government, organizations, and persons under sections 144.010 to  
76 144.525 are hereby made applicable to the imposition and collection of the  
77 tax. The same sales tax permit, exemption certificate, and retail certificate  
78 required by sections 144.010 to 144.525 for the administration and collection of  
79 the state sales tax shall satisfy the requirements of this section, and no  
80 additional permit or exemption certificate or retail certificate shall be required;  
81 except that, the director of revenue may prescribe a form of exemption certificate  
82 for an exemption from the tax. All discounts allowed the retailer under the state

83 sales tax for the collection of and for payment of taxes are hereby allowed and  
84 made applicable to the tax. The penalties for violations provided in section  
85 32.057 and sections 144.010 to 144.525 are hereby made applicable to violations  
86 of this section. If any person is delinquent in the payment of the amount  
87 required to be paid under this section, or in the event a determination has been  
88 made against the person for taxes and penalty under this section, the limitation  
89 for bringing suit for the collection of the delinquent tax and penalty shall be the  
90 same as that provided in sections 144.010 to 144.525].

91 6. The governing body of any county that has adopted the sales tax  
92 authorized in this section may submit the question of repeal of the tax to the  
93 voters on any date available for elections for the county. The ballot of submission  
94 shall be in substantially the following form:

95 Shall \_\_\_\_\_ (insert the name of the county) repeal the sales tax  
96 imposed at a rate of \_\_\_\_\_ (insert rate of percent) percent for the  
97 purpose of funding senior services and youth programs provided by  
98 the county?

99  YES  NO

100 If you are in favor of the question, place an "X" in the box opposite  
101 "YES". If you are opposed to the question, place an "X" in the box  
102 opposite "NO".

103 If a majority of the votes cast on the question by the qualified voters voting  
104 thereon are in favor of repeal, that repeal shall become effective [on December  
105 thirty-first of the calendar year in which such repeal was approved] **as provided**  
106 **by subsection 19 of section 32.087**. If a majority of the votes cast on the  
107 question by the qualified voters voting thereon are opposed to the repeal, then the  
108 sales tax authorized in this section shall remain effective until the question is  
109 resubmitted under this section to the qualified voters and the repeal is approved  
110 by a majority of the qualified voters voting on the question.

111 7. Whenever the governing body of any county that has adopted the sales  
112 tax authorized in this section receives a petition, signed by ten percent of the  
113 registered voters of the county voting in the last gubernatorial election, calling  
114 for an election to repeal the sales tax imposed under this section, the governing  
115 body shall submit to the voters of the county a proposal to repeal the tax. If a  
116 majority of the votes cast on the question by the qualified voters voting thereon  
117 are in favor of the repeal, the repeal shall become effective [on December  
118 thirty-first of the calendar year in which such repeal was approved] **as provided**

119 **by subsection 19 of section 32.087.** If a majority of the votes cast on the  
120 question by the qualified voters voting thereon are opposed to the repeal, then the  
121 sales tax authorized in this section shall remain effective until the question is  
122 resubmitted under this section to the qualified voters and the repeal is approved  
123 by a majority of the qualified voters voting on the question.

124 8. If the tax is repealed or terminated by any means, all funds remaining  
125 in the special trust fund shall continue to be used solely for the designated  
126 purposes, and the county shall notify the director of the department of revenue  
127 of the action [at least thirty days] before the effective date of the repeal and the  
128 director may order retention in the trust fund, for a period of one year, of two  
129 percent of the amount collected after receipt of such notice to cover possible  
130 refunds or overpayment of the tax and to redeem dishonored checks and drafts  
131 deposited to the credit of such accounts. After one year has elapsed after the  
132 effective date of abolition of the tax in such county, the director shall remit the  
133 balance in the account to the county and close the account of that county. The  
134 director shall notify each county of each instance of any amount refunded or any  
135 check redeemed from receipts due the county.

136 9. Each county imposing the tax authorized in this section shall establish  
137 a senior services tax commission to administer the portion of the sales tax  
138 revenue dedicated to providing senior services. Such commission shall consist of  
139 seven members appointed by the county commission. The county commission  
140 shall determine the qualifications, terms of office, compensation, powers, duties,  
141 restrictions, procedures, and all other necessary functions of the commission.

67.1300. 1. The governing body of any of the contiguous counties of the  
2 third classification without a township form of government enumerated in  
3 subdivisions (1) to (5) of this subsection or in any county of the fourth  
4 classification acting as a county of the second classification, having a population  
5 of at least forty thousand but less than forty-five thousand with a state  
6 university, and adjoining a county of the first classification with part of a city  
7 with a population of three hundred fifty thousand or more inhabitants or a county  
8 of the third classification with a township form of government and with a  
9 population of at least eight thousand but less than eight thousand four hundred  
10 inhabitants or a county of the third classification with more than fifteen  
11 townships having a population of at least twenty-one thousand inhabitants or a  
12 county of the third classification without a township form of government and with  
13 a population of at least seven thousand four hundred but less than eight

14 thousand inhabitants or any county of the third classification with a population  
15 greater than three thousand but less than four thousand or any county of the  
16 third classification with a population greater than six thousand one hundred but  
17 less than six thousand four hundred or any county of the third classification with  
18 a population greater than six thousand eight hundred but less than seven  
19 thousand or any county of the third classification with a population greater than  
20 seven thousand eight hundred but less than seven thousand nine hundred or any  
21 county of the third classification with a population greater than eight thousand  
22 four hundred sixty but less than eight thousand five hundred or any county of the  
23 third classification with a population greater than nine thousand but less than  
24 nine thousand two hundred or any county of the third classification with a  
25 population greater than ten thousand five hundred but less than ten thousand six  
26 hundred or any county of the third classification with a population greater than  
27 twenty-three thousand five hundred but less than twenty-three thousand seven  
28 hundred or a county of the third classification with a population greater than  
29 thirty-three thousand but less than thirty-four thousand or a county of the third  
30 classification with a population greater than twenty thousand eight hundred but  
31 less than twenty-one thousand or a county of the third classification with a  
32 population greater than fourteen thousand one hundred but less than fourteen  
33 thousand five hundred or a county of the third classification with a population  
34 greater than twenty thousand eight hundred fifty but less than twenty-two  
35 thousand or a county of the third classification with a population greater than  
36 thirty-nine thousand but less than forty thousand or a county of the third  
37 classification with a township form of organization and a population greater than  
38 twenty-eight thousand but less than twenty-nine thousand or a county of the  
39 third classification with a population greater than fifteen thousand but less than  
40 fifteen thousand five hundred or a county of the third classification with a  
41 population greater than eighteen thousand but less than nineteen thousand  
42 seventy or a county of the third classification with a population greater than  
43 thirteen thousand nine hundred but less than fourteen thousand four hundred or  
44 a county of the third classification with a population greater than twenty-seven  
45 thousand but less than twenty-seven thousand five hundred or a county of the  
46 first classification without a charter form of government and a population of at  
47 least eighty thousand but not greater than eighty-three thousand or a county of  
48 the third classification with a population greater than fifteen thousand but less  
49 than fifteen thousand nine hundred without a township form of government

50 which does not adjoin any county of the first, second or fourth classification or a  
51 county of the third classification with a population greater than twenty-three  
52 thousand but less than twenty-five thousand without a township form of  
53 government which does not adjoin any county of the second or fourth  
54 classification and does adjoin a county of the first classification with a population  
55 greater than one hundred twenty thousand but less than one hundred fifty  
56 thousand or in any county of the fourth classification acting as a county of the  
57 second classification, having a population of at least forty-eight thousand or any  
58 governing body of a municipality located in any of such counties may impose, by  
59 ordinance or order, a sales tax on all retail sales made in such county or  
60 municipality which are subject to taxation [pursuant to the provisions of sections  
61 144.010 to 144.525] **under chapter 144:**

62 (1) A county with a population of at least four thousand two hundred  
63 inhabitants but not more than four thousand five hundred inhabitants;

64 (2) A county with a population of at least four thousand seven hundred  
65 inhabitants but not more than four thousand nine hundred inhabitants;

66 (3) A county with a population of at least seven thousand three hundred  
67 inhabitants but not more than seven thousand six hundred inhabitants;

68 (4) A county with a population of at least ten thousand one hundred  
69 inhabitants but not more than ten thousand three hundred inhabitants; and

70 (5) A county with a population of at least four thousand three hundred  
71 inhabitants but not more than four thousand five hundred inhabitants.

72 2. The maximum rate for a sales tax pursuant to this section shall be one  
73 percent for municipalities and one-half of one percent for counties.

74 3. The tax authorized by this section shall be in addition to any and all  
75 other sales taxes allowed by law, except that no ordinance or order imposing a  
76 sales tax pursuant to the provisions of this section shall be effective unless the  
77 governing body of the county or municipality submits to the voters of the county  
78 or municipality, at a regularly scheduled county, municipal or state general or  
79 primary election, a proposal to authorize the governing body of the county or  
80 municipality to impose a tax. Any sales tax imposed pursuant to this section  
81 shall not be authorized for a period of more than five years.

82 4. Such proposal shall be submitted in substantially the following form:  
83 Shall the (city, town, village or county) of \_\_\_\_\_ impose a sales tax  
84 of \_\_\_\_\_ (insert amount) for the purpose of economic development  
85 in the (city, town, village or county)?

86

 YES NO

87 If a majority of the votes cast on the proposal by the qualified voters voting  
88 thereon are in favor of the proposal, then the ordinance or order and any  
89 amendments thereto shall be in effect [on the first day of the second quarter after  
90 the director of revenue receives notice of adoption of the tax] **as provided in**  
91 **subsection 19 of section 32.087.** If a majority of the votes cast by the  
92 qualified voters voting are opposed to the proposal, then the governing body of the  
93 county or municipality shall not impose the sales tax authorized in this section  
94 until the governing body of the county or municipality resubmits another proposal  
95 to authorize the governing body of the county or municipality to impose the sales  
96 tax authorized by this section and such proposal is approved by a majority of the  
97 qualified voters voting thereon; however no such proposal shall be resubmitted  
98 to the voters sooner than twelve months from the date of the submission of the  
99 last such proposal.

100           5. All revenue received by a county or municipality from the tax  
101 authorized pursuant to the provisions of this section shall be deposited in a  
102 special trust fund and shall be used solely for economic development purposes  
103 within such county or municipality for so long as the tax shall remain in effect.

104           6. Once the tax authorized by this section is abolished or is terminated by  
105 any means, all funds remaining in the special trust fund shall be used solely for  
106 economic development purposes within the county or municipality. Any funds in  
107 such special trust fund which are not needed for current expenditures may be  
108 invested by the governing body in accordance with applicable laws relating to the  
109 investment of other county or municipal funds.

110           7. All sales taxes collected by the director of revenue pursuant to this  
111 section on behalf of any county or municipality, [less one percent for cost of  
112 collection which shall be deposited in the state's general revenue fund after  
113 payment of premiums for surety bonds as provided in section 32.087,] shall be  
114 deposited in a special trust fund, which is hereby created, to be known as the  
115 "Local Economic Development Sales Tax Trust Fund".

116           8. [The moneys in the local economic development sales tax trust fund  
117 shall not be deemed to be state funds and shall not be commingled with any funds  
118 of the state.] The director of revenue shall keep accurate records of the amount  
119 of money in the trust fund and which was collected in each county or municipality  
120 imposing a sales tax pursuant to this section, and the records shall be open to the  
121 inspection of officers of the county or municipality and the public.

122           9. Not later than the tenth day of each month the director of revenue shall  
123 distribute all moneys deposited in the trust fund during the preceding month to  
124 the county or municipality which levied the tax. Such funds shall be deposited  
125 with the county treasurer of each such county or the appropriate municipal officer  
126 in the case of a municipal tax, and all expenditures of funds arising from the local  
127 economic development sales tax trust fund shall be by an appropriation act to be  
128 enacted by the governing body of each such county or municipality. Expenditures  
129 may be made from the fund for any economic development purposes authorized  
130 in the ordinance or order adopted by the governing body submitting the tax to the  
131 voters.

132           10. The director of revenue may authorize the state treasurer to make  
133 refunds from the amounts in the trust fund and credited to any county or  
134 municipality for erroneous payments and overpayments made, and may redeem  
135 dishonored checks and drafts deposited to the credit of such counties and  
136 municipalities.

137           11. If any county or municipality abolishes the tax, the county or  
138 municipality shall notify the director of revenue of the action [at least ninety  
139 days] prior to the effective date of the repeal and **the repeal shall be effective**  
140 **as provided by subsection 19 of section 32.087**. The director of revenue may  
141 order retention in the trust fund, for a period of one year, of two percent of the  
142 amount collected after receipt of such notice to cover possible refunds or  
143 overpayment of the tax and to redeem dishonored checks and drafts deposited to  
144 the credit of such accounts. After one year has elapsed after the effective date of  
145 abolition of the tax in such county or municipality, the director of revenue shall  
146 remit the balance in the account to the county or municipality and close the  
147 account of that county or municipality. The director of revenue shall notify each  
148 county or municipality of each instance of any amount refunded or any check  
149 redeemed from receipts due the county or municipality.

150           12. Except as modified in this section, all provisions of sections 32.085  
151 [and] to 32.087 shall apply to the tax imposed pursuant to this section.

152           13. For purposes of this section, the term "economic development" is  
153 limited to the following:

- 154           (1) Operations of economic development or community development  
155 offices, including the salaries of employees;
- 156           (2) Provision of training for job creation or retention;
- 157           (3) Provision of infrastructure and sites for industrial development or for

158 public infrastructure projects; and

159 (4) Refurbishing of existing structures and property relating to community  
160 development.

67.1303. 1. The governing body of any home rule city with more than one  
2 hundred fifty-one thousand five hundred but less than one hundred fifty-one  
3 thousand six hundred inhabitants, any home rule city with more than forty-five  
4 thousand five hundred but less than forty-five thousand nine hundred inhabitants  
5 and the governing body of any city within any county of the first classification  
6 with more than one hundred four thousand six hundred but less than one  
7 hundred four thousand seven hundred inhabitants and the governing body of any  
8 county of the third classification without a township form of government and with  
9 more than forty thousand eight hundred but less than forty thousand nine  
10 hundred inhabitants or any city within such county may impose, by order or  
11 ordinance, a sales tax on all retail sales made in the city or county which are  
12 subject to sales tax under chapter 144. In addition, the governing body of any  
13 county of the first classification with more than eighty-five thousand nine  
14 hundred but less than eighty-six thousand inhabitants or the governing body of  
15 any home rule city with more than seventy-three thousand but less than  
16 seventy-five thousand inhabitants may impose, by order or ordinance, a sales tax  
17 on all retail sales made in the city or county which are subject to sales tax under  
18 chapter 144. The tax authorized in this section shall not be more than one-half  
19 of one percent. The order or ordinance imposing the tax shall not become  
20 effective unless the governing body of the city or county submits to the voters of  
21 the city or county at a state general or primary election a proposal to authorize  
22 the governing body to impose a tax under this section. The tax authorized in this  
23 section shall be in addition to all other sales taxes imposed by law, and shall be  
24 stated separately from all other charges and taxes.

25 2. The ballot of submission for the tax authorized in this section shall be  
26 in substantially the following form:

27 Shall \_\_\_\_\_ (insert the name of the city or county) impose a sales  
28 tax at a rate of \_\_\_\_\_ (insert rate of percent) percent for economic  
29 development purposes?

30  YES  NO

31 If a majority of the votes cast on the question by the qualified voters voting  
32 thereon are in favor of the question, then the tax shall become effective [on the  
33 first day of the second calendar quarter following the calendar quarter in which

34 the election was held] **as provided by subsection 19 of section 32.087.** If a  
35 majority of the votes cast on the question by the qualified voters voting thereon  
36 are opposed to the question, then the tax shall not become effective unless and  
37 until the question is resubmitted under this section to the qualified voters and  
38 such question is approved by a majority of the qualified voters voting on the  
39 question, provided that no proposal shall be resubmitted to the voters sooner than  
40 twelve months from the date of the submission of the last proposal.

41 3. No revenue generated by the tax authorized in this section shall be  
42 used for any retail development project. At least twenty percent of the revenue  
43 generated by the tax authorized in this section shall be used solely for projects  
44 directly related to long-term economic development preparation, including, but  
45 not limited to, the following:

- 46 (1) Acquisition of land;
- 47 (2) Installation of infrastructure for industrial or business parks;
- 48 (3) Improvement of water and wastewater treatment capacity;
- 49 (4) Extension of streets;
- 50 (5) Providing matching dollars for state or federal grants;
- 51 (6) Marketing;
- 52 (7) Construction and operation of job training and educational facilities;

53 and

54 (8) Providing grants and low-interest loans to companies for job training,  
55 equipment acquisition, site development, and infrastructure. Not more than  
56 twenty-five percent of the revenue generated may be used annually for  
57 administrative purposes, including staff and facility costs.

58 4. All revenue generated by the tax shall be deposited in a special trust  
59 fund and shall be used solely for the designated purposes. If the tax is repealed,  
60 all funds remaining in the special trust fund shall continue to be used solely for  
61 the designated purposes. Any funds in the special trust fund which are not  
62 needed for current expenditures may be invested by the governing body in  
63 accordance with applicable laws relating to the investment of other city or county  
64 funds.

65 5. **The director of revenue may authorize the state treasurer to**  
66 **make refunds from the amounts in the trust fund and credited to any**  
67 **city or county for erroneous payments in the trust fund and credited**  
68 **to any city or county for erroneous payments and overpayments made,**  
69 **and may redeem dishonored checks and drafts deposited to the credit**

70 of such counties. If any city or county abolishes the tax authorized  
71 under this section, the repeal of such tax shall become effective as  
72 provided by subsection 19 of section 32.087. Each city or county shall  
73 notify the director of revenue prior to the effective date of the  
74 expiration of the sales tax authorized by this section and the repeal  
75 shall be effective as provided by subsection 19 of section 32.087. The  
76 director of revenue may order retention in the trust fund, for a period  
77 of one year, of two percent of the amount collected after receipt of such  
78 notice to cover possible refunds or overpayment of such tax and to  
79 redeem dishonored checks and drafts deposited to the credit of such  
80 accounts. After one year has elapsed after the date of expiration of the  
81 tax authorized by this section in such city or county, the director of  
82 revenue shall remit the balance in the account to the city or county and  
83 close the account of that city or county. The director of revenue shall  
84 notify each city or county of each instance of any amount refunded or  
85 any check redeemed from receipts due the city or county.

86 6. Any city or county imposing the tax authorized in this section shall  
87 establish an economic development tax board. The board shall consist of eleven  
88 members, to be appointed as follows:

89 (1) Two members shall be appointed by the school boards whose districts  
90 are included within any economic development plan or area funded by the sales  
91 tax authorized in this section. Such members shall be appointed in any manner  
92 agreed upon by the affected districts;

93 (2) One member shall be appointed, in any manner agreed upon by the  
94 affected districts, to represent all other districts levying ad valorem taxes within  
95 the area selected for an economic development project or area funded by the sales  
96 tax authorized in this section, excluding representatives of the governing body of  
97 the city or county;

98 (3) One member shall be appointed by the largest public school district in  
99 the city or county;

100 (4) In each city or county, five members shall be appointed by the chief  
101 elected officer of the city or county with the consent of the majority of the  
102 governing body of the city or county;

103 (5) In each city, two members shall be appointed by the governing body  
104 of the county in which the city is located. In each county, two members shall be  
105 appointed by the governing body of the county. At the option of the members

106 appointed by a city or county the members who are appointed by the school  
107 boards and other taxing districts may serve on the board for a term to coincide  
108 with the length of time an economic development project, plan, or designation of  
109 an economic development area is considered for approval by the board, or for the  
110 definite terms as provided in this subsection. If the members representing school  
111 districts and other taxing districts are appointed for a term coinciding with the  
112 length of time an economic development project, plan, or area is approved, such  
113 term shall terminate upon final approval of the project, plan, or designation of  
114 the area by the governing body of the city or county. If any school district or  
115 other taxing jurisdiction fails to appoint members of the board within thirty days  
116 of receipt of written notice of a proposed economic development plan, economic  
117 development project, or designation of an economic development area, the  
118 remaining members may proceed to exercise the power of the board. Of the  
119 members first appointed by the city or county, three shall be designated to serve  
120 for terms of two years, three shall be designated to serve for a term of three  
121 years, and the remaining members shall be designated to serve for a term of four  
122 years from the date of such initial appointments. Thereafter, the members  
123 appointed by the city or county shall serve for a term of four years, except that  
124 all vacancies shall be filled for unexpired terms in the same manner as were the  
125 original appointments.

126 [6.] 7. The board, subject to approval of the governing body of the city or  
127 county, shall develop economic development plans, economic development  
128 projects, or designations of an economic development area, and shall hold public  
129 hearings and provide notice of any such hearings. The board shall vote on all  
130 proposed economic development plans, economic development projects, or  
131 designations of an economic development area, and amendments thereto, within  
132 thirty days following completion of the hearing on any such plan, project, or  
133 designation, and shall make recommendations to the governing body within  
134 ninety days of the hearing concerning the adoption of or amendment to economic  
135 development plans, economic development projects, or designations of an economic  
136 development area.

137 [7.] 8. The board shall report at least annually to the governing body of  
138 the city or county on the use of the funds provided under this section and on the  
139 progress of any plan, project, or designation adopted under this section.

140 [8.] 9. The governing body of any city or county that has adopted the  
141 sales tax authorized in this section may submit the question of repeal of the tax

142 to the voters on any date available for elections for the city or county. The ballot  
143 of submission shall be in substantially the following form:

144 Shall \_\_\_\_\_ (insert the name of the city or county) repeal the sales  
145 tax imposed at a rate of \_\_\_\_\_ (insert rate of percent) percent for  
146 economic development purposes?

147  YES  NO

148 If a majority of the votes cast on the proposal are in favor of repeal, that repeal  
149 shall become effective [on December thirty-first of the calendar year in which  
150 such repeal was approved] **as provided by subsection 19 of section 32.087.**

151 If a majority of the votes cast on the question by the qualified voters voting  
152 thereon are opposed to the repeal, then the sales tax authorized in this section  
153 shall remain effective until the question is resubmitted under this section to the  
154 qualified voters of the city or county, and the repeal is approved by a majority of  
155 the qualified voters voting on the question.

156 **[9.] 10.** Whenever the governing body of any city or county that has  
157 adopted the sales tax authorized in this section receives a petition, signed by ten  
158 percent of the registered voters of the city or county voting in the last  
159 gubernatorial election, calling for an election to repeal the sales tax imposed  
160 under this section, the governing body shall submit to the voters a proposal to  
161 repeal the tax. If a majority of the votes cast on the question by the qualified  
162 voters voting thereon are in favor of the repeal, that repeal shall become effective  
163 on December thirty-first of the calendar year in which such repeal was approved.  
164 If a majority of the votes cast on the question by the qualified voters voting  
165 thereon are opposed to the repeal, then the tax shall remain effective until the  
166 question is resubmitted under this section to the qualified voters and the repeal  
167 is approved by a majority of the qualified voters voting on the question. **If the**  
168 **city or county abolishes the tax, the city or county shall notify the**  
169 **director of revenue of the action at least one hundred twenty days**  
170 **prior to the effective date of the repeal.**

171 **11. After the effective date of any tax imposed under the**  
172 **provisions of this section, the director of revenue shall perform all**  
173 **functions incident to the administration, collection, enforcement, and**  
174 **operation of the tax and collect, in addition to the sales tax for the**  
175 **state of Missouri, the additional tax authorized under this section. The**  
176 **tax imposed under this section and the tax imposed under the sales tax**  
177 **law of the state of Missouri shall be collected together and reported**

178 **upon such forms and under such administrative rules and regulations**  
179 **as may be prescribed by the director of revenue.**

180 **12. Except as provided in this section, all provisions of sections**  
181 **32.085 to 32.087 shall apply to the tax imposed under this section.**

67.1305. 1. As used in this section, the term "city" shall mean any  
2 incorporated city, town, or village.

3 2. In lieu of the sales taxes authorized under sections 67.1300 and  
4 67.1303, the governing body of any city or county may impose, by order or  
5 ordinance, a sales tax on all retail sales made in the city or county which are  
6 subject to sales tax under chapter 144. The tax authorized in this section shall  
7 not be more than one-half of one percent. The order or ordinance imposing the  
8 tax shall not become effective unless the governing body of the city or county  
9 submits to the voters of the city or county at any citywide, county or state  
10 general, primary or special election a proposal to authorize the governing body  
11 to impose a tax under this section. The tax authorized in this section shall be in  
12 addition to all other sales taxes imposed by law, and shall be stated separately  
13 from all other charges and taxes. The tax authorized in this section shall not be  
14 imposed by any city or county that has imposed a tax under section 67.1300 or  
15 67.1303 unless the tax imposed under those sections has expired or been  
16 repealed.

17 3. The ballot of submission for the tax authorized in this section shall be  
18 in substantially the following form:

19 Shall \_\_\_\_\_ (insert the name of the city or county) impose a sales  
20 tax at a rate of \_\_\_\_\_ (insert rate of percent) percent for economic  
21 development purposes?

22  YES  NO

23 If a majority of the votes cast on the question by the qualified voters voting  
24 thereon are in favor of the question, then the tax shall become effective [on the  
25 first day of the second calendar quarter following the calendar quarter in which  
26 the election was held] **as provided by subsection 19 of section 32.087.** If a  
27 majority of the votes cast on the question by the qualified voters voting thereon  
28 are opposed to the question, then the tax shall not become effective unless and  
29 until the question is resubmitted under this section to the qualified voters and  
30 such question is approved by a majority of the qualified voters voting on the  
31 question, provided that no proposal shall be resubmitted to the voters sooner than  
32 twelve months from the date of the submission of the last proposal.

33           4. All sales taxes collected by the director of revenue under this section  
34 on behalf of any county or municipality, less one percent for cost of collection  
35 which shall be deposited in the state's general revenue fund after payment of  
36 premiums for surety bonds as provided in section 32.087, shall be deposited in a  
37 special trust fund, which is hereby created, to be known as the "Local Option  
38 Economic Development Sales Tax Trust Fund".

39           5. [The moneys in the local option economic development sales tax trust  
40 fund shall not be deemed to be state funds and shall not be commingled with any  
41 funds of the state.] The director of revenue shall keep accurate records of the  
42 amount of money in the trust fund and which was collected in each city or county  
43 imposing a sales tax pursuant to this section, and the records shall be open to the  
44 inspection of officers of the city or county and the public.

45           6. Not later than the tenth day of each month the director of revenue shall  
46 distribute all moneys deposited in the trust fund during the preceding month to  
47 the city or county which levied the tax. Such funds shall be deposited with the  
48 county treasurer of each such county or the appropriate municipal officer in the  
49 case of a municipal tax, and all expenditures of funds arising from the local  
50 economic development sales tax trust fund shall be in accordance with this  
51 section.

52           7. The director of revenue may authorize the state treasurer to make  
53 refunds from the amounts in the trust fund and credited to any city or county for  
54 erroneous payments and overpayments made, and may redeem dishonored checks  
55 and drafts deposited to the credit of such cities and counties.

56           8. If any county or municipality abolishes the tax, the city or county shall  
57 notify the director of revenue of the action [at least ninety days] prior to the  
58 effective date of the repeal and **the repeal shall be effective as provided by**  
59 **subsection 19 of section 32.087.** The director of revenue may order retention  
60 in the trust fund, for a period of one year, of two percent of the amount collected  
61 after receipt of such notice to cover possible refunds or overpayment of the tax  
62 and to redeem dishonored checks and drafts deposited to the credit of such  
63 accounts. After one year has elapsed after the effective date of abolition of the  
64 tax in such city or county, the director of revenue shall remit the balance in the  
65 account to the city or county and close the account of that city or county. The  
66 director of revenue shall notify each city or county of each instance of any amount  
67 refunded or any check redeemed from receipts due the city or county.

68           9. Except as modified in this section, all provisions of sections 32.085

69 [and] to 32.087 shall apply to the tax imposed pursuant to this section.

70 10. (1) No revenue generated by the tax authorized in this section shall  
71 be used for any retail development project, except for the redevelopment of  
72 downtown areas and historic districts. Not more than twenty-five percent of the  
73 revenue generated shall be used annually for administrative purposes, including  
74 staff and facility costs.

75 (2) At least twenty percent of the revenue generated by the tax authorized  
76 in this section shall be used solely for projects directly related to long-term  
77 economic development preparation, including, but not limited to, the following:

- 78 (a) Acquisition of land;
- 79 (b) Installation of infrastructure for industrial or business parks;
- 80 (c) Improvement of water and wastewater treatment capacity;
- 81 (d) Extension of streets;
- 82 (e) Public facilities directly related to economic development and job  
83 creation; and

84 (f) Providing matching dollars for state or federal grants relating to such  
85 long-term projects.

86 (3) The remaining revenue generated by the tax authorized in this section  
87 may be used for, but shall not be limited to, the following:

- 88 (a) Marketing;
- 89 (b) Providing grants and loans to companies for job training, equipment  
90 acquisition, site development, and infrastructures;
- 91 (c) Training programs to prepare workers for advanced technologies and  
92 high skill jobs;
- 93 (d) Legal and accounting expenses directly associated with the economic  
94 development planning and preparation process;
- 95 (e) Developing value-added and export opportunities for Missouri  
96 agricultural products.

97 11. All revenue generated by the tax shall be deposited in a special trust  
98 fund and shall be used solely for the designated purposes. If the tax is repealed,  
99 all funds remaining in the special trust fund shall continue to be used solely for  
100 the designated purposes. Any funds in the special trust fund which are not  
101 needed for current expenditures may be invested by the governing body in  
102 accordance with applicable laws relating to the investment of other city or county  
103 funds.

104 12. (1) Any city or county imposing the tax authorized in this section

105 shall establish an economic development tax board. The volunteer board shall  
106 receive no compensation or operating budget.

107 (2) The economic development tax board established by a city shall consist  
108 of at least five members, but may be increased to nine members. Either a  
109 five-member or nine-member board shall be designated in the order or ordinance  
110 imposing the sales tax authorized by this section, and the members are to be  
111 appointed as follows:

112 (a) One member of a five-member board, or two members of a  
113 nine-member board, shall be appointed by the school districts included within any  
114 economic development plan or area funded by the sales tax authorized in this  
115 section. Such member or members shall be appointed in any manner agreed upon  
116 by the affected districts;

117 (b) Three members of a five-member board, or five members of a  
118 nine-member board, shall be appointed by the chief elected officer of the city with  
119 the consent of the majority of the governing body of the city;

120 (c) One member of a five-member board, or two members of a nine-member  
121 board, shall be appointed by the governing body of the county in which the city  
122 is located.

123 (3) The economic development tax board established by a county shall  
124 consist of seven members, to be appointed as follows:

125 (a) One member shall be appointed by the school districts included within  
126 any economic development plan or area funded by the sales tax authorized in this  
127 section. Such member shall be appointed in any manner agreed upon by the  
128 affected districts;

129 (b) Four members shall be appointed by the governing body of the county;  
130 and

131 (c) Two members from the cities, towns, or villages within the county  
132 appointed in any manner agreed upon by the chief elected officers of the cities or  
133 villages.

134 Of the members initially appointed, three shall be designated to serve for terms  
135 of two years, except that when a nine-member board is designated, seven of the  
136 members initially appointed shall be designated to serve for terms of two years,  
137 and the remaining members shall be designated to serve for a term of four years  
138 from the date of such initial appointments. Thereafter, the members appointed  
139 shall serve for a term of four years, except that all vacancies shall be filled for  
140 unexpired terms in the same manner as were the original appointments.

141 (4) If an economic development tax board established by a city is already  
142 in existence on August 28, 2012, any increase in the number of members of the  
143 board shall be designated in an order or ordinance. The four board members  
144 added to the board shall be appointed to a term with an expiration coinciding  
145 with the expiration of the terms of the three board member positions that were  
146 originally appointed to terms of two years. Thereafter, the additional members  
147 appointed shall serve for a term of four years, except that all vacancies shall be  
148 filled for unexpired terms in the same manner as were the additional  
149 appointments.

150 13. The board, subject to approval of the governing body of the city or  
151 county, shall consider economic development plans, economic development  
152 projects, or designations of an economic development area, and shall hold public  
153 hearings and provide notice of any such hearings. The board shall vote on all  
154 proposed economic development plans, economic development projects, or  
155 designations of an economic development area, and amendments thereto, within  
156 thirty days following completion of the hearing on any such plan, project, or  
157 designation, and shall make recommendations to the governing body within  
158 ninety days of the hearing concerning the adoption of or amendment to economic  
159 development plans, economic development projects, or designations of an economic  
160 development area. The governing body of the city or county shall have the final  
161 determination on use and expenditure of any funds received from the tax imposed  
162 under this section.

163 14. The board may consider and recommend using funds received from the  
164 tax imposed under this section for plans, projects or area designations outside the  
165 boundaries of the city or county imposing the tax if, and only if:

166 (1) The city or county imposing the tax or the state receives significant  
167 economic benefit from the plan, project or area designation; and

168 (2) The board establishes an agreement with the governing bodies of all  
169 cities and counties in which the plan, project or area designation is located  
170 detailing the authority and responsibilities of each governing body with regard  
171 to the plan, project or area designation.

172 15. Notwithstanding any other provision of law to the contrary, the  
173 economic development sales tax imposed under this section when imposed within  
174 a special taxing district, including but not limited to a tax increment financing  
175 district, neighborhood improvement district, or community improvement district,  
176 shall be excluded from the calculation of revenues available to such districts, and

177 no revenues from any sales tax imposed under this section shall be used for the  
178 purposes of any such district unless recommended by the economic development  
179 tax board established under this section and approved by the governing body  
180 imposing the tax.

181         16. The board and the governing body of the city or county imposing the  
182 tax shall report at least annually to the governing body of the city or county on  
183 the use of the funds provided under this section and on the progress of any plan,  
184 project, or designation adopted under this section and shall make such report  
185 available to the public.

186         17. Not later than the first day of March each year the board shall submit  
187 to the joint committee on economic development a report, not exceeding one page  
188 in length, which must include the following information for each project using the  
189 tax authorized under this section:

- 190             (1) A statement of its primary economic development goals;
- 191             (2) A statement of the total economic development sales tax revenues  
192 received during the immediately preceding calendar year;
- 193             (3) A statement of total expenditures during the preceding calendar year  
194 in each of the following categories:
- 195             (a) Infrastructure improvements;
- 196             (b) Land and/or buildings;
- 197             (c) Machinery and equipment;
- 198             (d) Job training investments;
- 199             (e) Direct business incentives;
- 200             (f) Marketing;
- 201             (g) Administration and legal expenses; and
- 202             (h) Other expenditures.

203         18. The governing body of any city or county that has adopted the sales  
204 tax authorized in this section may submit the question of repeal of the tax to the  
205 voters on any date available for elections for the city or county. The ballot of  
206 submission shall be in substantially the following form:

207             Shall \_\_\_\_\_ (insert the name of the city or county) repeal the sales  
208             tax imposed at a rate of \_\_\_\_\_ (insert rate of percent) percent for  
209             economic development purposes?

210                                      YES                                      NO

211 If a majority of the votes cast on the proposal are in favor of the repeal, that  
212 repeal shall become effective [on December thirty-first of the calendar year in

213 which such repeal was approved] **as provided by subsection 19 of section**  
214 **32.087**. If a majority of the votes cast on the question by the qualified voters  
215 voting thereon are opposed to the repeal, then the sales tax authorized in this  
216 section shall remain effective until the question is resubmitted under this section  
217 to the qualified voters of the city or county, and the repeal is approved by a  
218 majority of the qualified voters voting on the question.

219           19. Whenever the governing body of any city or county that has adopted  
220 the sales tax authorized in this section receives a petition, signed by ten percent  
221 of the registered voters of the city or county voting in the last gubernatorial  
222 election, calling for an election to repeal the sales tax imposed under this section,  
223 the governing body shall submit to the voters a proposal to repeal the tax. If a  
224 majority of the votes cast on the question by the qualified voters voting thereon  
225 are in favor of the repeal, that repeal shall become effective [on December  
226 thirty-first of the calendar year in which such repeal was approved] **as provided**  
227 **by subsection 19 of section 32.087**. If a majority of the votes cast on the  
228 question by the qualified voters voting thereon are opposed to the repeal, then the  
229 tax shall remain effective until the question is resubmitted under this section to  
230 the qualified voters and the repeal is approved by a majority of the qualified  
231 voters voting on the question.

232           20. If any provision of this section or section 67.1303 or the application  
233 thereof to any person or circumstance is held invalid, the invalidity shall not  
234 affect other provisions or application of this section or section 67.1303 which can  
235 be given effect without the invalid provision or application, and to this end the  
236 provisions of this section and section 67.1303 are declared severable.

67.1545. 1. Any district formed as a political subdivision may impose by  
2 resolution a district sales and use tax on all retail sales made in such district  
3 which are subject to taxation [pursuant to sections 144.010 to 144.525] **under**  
4 **chapter 144**, except sales of motor vehicles, trailers, boats [or], outboard motors  
5 [and sales to or by public utilities and providers of communications, cable, or  
6 video services], **electricity, piped natural or artificial gas, or other fuels**  
7 **delivered by the seller**. Any sales and use tax imposed pursuant to this  
8 section may be imposed in increments of one-eighth of one percent, up to a  
9 maximum of one percent. Such district sales and use tax may be imposed for any  
10 district purpose designated by the district in its ballot of submission to its  
11 qualified voters; except that, no resolution adopted pursuant to this section shall  
12 become effective unless the board of directors of the district submits to the

13 qualified voters of the district, by mail-in ballot, a proposal to authorize a sales  
14 and use tax pursuant to this section. If a majority of the votes cast by the  
15 qualified voters on the proposed sales tax are in favor of the sales tax, then the  
16 resolution is adopted. If a majority of the votes cast by the qualified voters are  
17 opposed to the sales tax, then the resolution is void.

18 2. The ballot shall be substantially in the following form:

19 Shall the \_\_\_\_\_ (insert name of district) Community Improvement  
20 District impose a community improvement districtwide sales and  
21 use tax at the maximum rate of \_\_\_\_\_ (insert amount) for a period  
22 of \_\_\_\_\_ (insert number) years from the date on which such tax is  
23 first imposed for the purpose of providing revenue for \_\_\_\_\_ (insert  
24 general description of the purpose)?

25  YES  NO

26 If you are in favor of the question, place an "X" in the box opposite  
27 "YES". If you are opposed to the question, place an "X" in the box  
28 opposite "NO".

29 3. Within ten days after the qualified voters have approved the imposition  
30 of the sales and use tax, the district shall, in accordance with section 32.087,  
31 notify the director of the department of revenue. The sales and use tax  
32 authorized by this section shall become effective [on the first day of the second  
33 calendar quarter after the director of the department of revenue receives notice  
34 of the adoption of such tax] **as provided by subsection 19 of section 32.087.**

35 4. [The director of the department of revenue shall collect any tax adopted  
36 pursuant to this section pursuant to section 32.087] **After the effective date  
37 of any tax imposed under the provisions of this section, the director of  
38 revenue shall perform all functions incident to the administration,  
39 collection, enforcement, and operation of the tax and collect, in  
40 addition to the sales tax for the state of Missouri, the additional tax  
41 authorized under the authority of this section. The tax imposed under  
42 this section and the tax imposed under the sales tax law of the state of  
43 Missouri shall be collected together and reported upon such forms and  
44 under such administrative rules and regulations as may be prescribed  
45 by the director of revenue.**

46 5. In each district in which a sales and use tax is imposed pursuant to  
47 this section, every retailer shall add such additional tax imposed by the district  
48 to such retailer's sale price, and when so added such tax shall constitute a part

49 of the purchase price, shall be a debt of the purchaser to the retailer until paid  
50 and shall be recoverable at law in the same manner as the purchase price.

51 6. [In order to allow retailers to collect and report the sales and use tax  
52 authorized by this section as well as all other sales and use taxes required by law  
53 in the simplest and most efficient manner possible, a district may establish  
54 appropriate brackets to be used in the district imposing a tax pursuant to this  
55 section in lieu of the brackets provided in section 144.285.

56 7.] The penalties provided in sections 144.010 to 144.525 shall apply to  
57 violations of this section.

58 [8.] 7. All revenue received by the district from a sales and use tax  
59 imposed pursuant to this section which is designated for a specific purpose shall  
60 be deposited into a special trust fund and expended solely for such  
61 purpose. Upon the expiration of any sales and use tax adopted pursuant to this  
62 section, all funds remaining in the special trust fund shall continue to be used  
63 solely for the specific purpose designated in the resolution adopted by the  
64 qualified voters. Any funds in such special trust fund which are not needed for  
65 current expenditures may be invested by the board of directors pursuant to  
66 applicable laws relating to the investment of other district funds.

67 [9.] 8. A district may repeal by resolution any sales and use tax imposed  
68 pursuant to this section before the expiration date of such sales and use tax  
69 unless the repeal of such sales and use tax will impair the district's ability to  
70 repay any liabilities the district has incurred, moneys the district has borrowed  
71 or obligation the district has issued to finance any improvements or services  
72 rendered for the district.

73 [10.] 9. Notwithstanding the provisions of chapter 115, an election for a  
74 district sales and use tax under this section shall be conducted in accordance with  
75 the provisions of this section.

76 **10. Except as provided in this section, all provisions of sections**  
77 **32.085 to 32.087 shall apply to the tax imposed under this section.**

67.1712. 1. The governing body of any county located within the proposed  
2 metropolitan district is hereby authorized to impose by ordinance a one-tenth of  
3 one cent sales tax on all retail sales subject to taxation [pursuant to sections  
4 144.010 to 144.525] **under chapter 144** for the purpose of funding the creation,  
5 operation and maintenance of a metropolitan park and recreation district.

6 2. In addition to the tax authorized in subsection 1 of this section, the  
7 governing body of any county located within the metropolitan district as of

8 January 1, 2012, is authorized to impose by ordinance an incremental sales tax  
9 of up to three-sixteenths of one cent on all retail sales subject to taxation under  
10 [sections 144.010 to 144.525] **chapter 144** for the purpose of funding the  
11 operation and maintenance of the metropolitan park and recreation district. Such  
12 incremental sales tax shall not be implemented unless approved by the voters of  
13 the county with the largest population within the district and at least one other  
14 such county under subsection 2 of section 67.1715.

15 3. The taxes authorized by sections 67.1700 to 67.1769 shall be in addition  
16 to all other sales taxes allowed by law. The governing body of any county within  
17 the metropolitan district enacting such an ordinance shall submit to the voters  
18 of such county a proposal to approve its ordinance imposing or increasing the  
19 tax. Such ordinance shall become effective only after the majority of the voters  
20 voting on such ordinance approve such ordinance. The provisions of sections  
21 32.085 [and] to 32.087 shall apply to any tax and increase in tax approved  
22 pursuant to this section and sections 67.1715 to 67.1721.

23 **4. After the effective date of any tax imposed under the**  
24 **provisions of this section, the director of revenue shall perform all**  
25 **functions incident to the administration, collection, enforcement, and**  
26 **operation of the tax and the director of revenue shall collect in**  
27 **addition to the sales tax for the state of Missouri the additional tax**  
28 **authorized under the authority of this section. The tax imposed under**  
29 **this section and the tax imposed under the sales tax law of the state of**  
30 **Missouri shall be collected together and reported upon such forms and**  
31 **under such administrative rules and regulations as may be prescribed**  
32 **by the director of revenue.**

67.1775. 1. The governing body of a city not within a county, or any  
2 county of this state may, after voter approval under this section, levy a sales tax  
3 not to exceed one-quarter of a cent in the county or city, or city not within a  
4 county, **on all retail sales made in the city or county which are subject**  
5 **to sales tax under chapter 144** for the purpose of providing services described  
6 in section 210.861, including counseling, family support, and temporary  
7 residential services to persons nineteen years of age or less. The question shall  
8 be submitted to the qualified voters of the county or city, or city not within a  
9 county, at a county or city or state general, primary or special election upon the  
10 motion of the governing body of the county or city, or city not within a county or  
11 upon the petition of eight percent of the qualified voters of the county or city, or

12 city not within a county, determined on the basis of the number of votes cast for  
13 governor in such county at the last gubernatorial election held prior to the filing  
14 of the petition. The election officials of the county or city, or city not within a  
15 county, shall give legal notice as provided in chapter 115. The question shall be  
16 submitted in substantially the following form:

17 Shall \_\_\_\_\_ County or City, solely for the purpose of establishing  
18 a community children's services fund for the purpose of providing  
19 services to protect the well-being and safety of children and youth  
20 nineteen years of age or less and to strengthen families, be  
21 authorized to levy a sales tax of \_\_\_\_\_ (not to exceed one-quarter  
22 of a cent) in the city or county?

23  YES  NO

24 If a majority of the votes cast on the question by the qualified voters voting  
25 thereon are in favor of the question, then the ordinance or order and any  
26 amendments thereto shall be in effect [on the first day of the second calendar  
27 quarter after the director receives notification of the local sales tax] **as provided**  
28 **by subsection 19 of section 32.087**. If a question receives less than the  
29 required majority, then the governing authority of the city or county, or city not  
30 within a county, shall have no power to impose the sales tax unless and until the  
31 governing authority of the city or county, or city not within a county, has  
32 submitted another question to authorize the imposition of the sales tax  
33 authorized by this section and such question is approved by the required majority  
34 of the qualified voters voting thereon. However, in no event shall a question  
35 under this section be submitted to the voters sooner than twelve months from the  
36 date of the last question under this section.

37 2. After the effective date of any tax imposed under the provisions of this  
38 section, the director of revenue shall perform all functions incident to the  
39 administration, collection, enforcement, and operation of the tax and the director  
40 of revenue shall collect in addition to the sales tax for the state of Missouri the  
41 additional tax authorized under the authority of this section. The tax imposed  
42 under this section and the tax imposed under the sales tax law of the state of  
43 Missouri shall be collected together and reported upon such forms and under such  
44 administrative rules and regulations as may be prescribed by the director of  
45 revenue.

46 3. All sales taxes collected by the director of revenue under this section  
47 on behalf of any city or county, or city not within a county[, less one percent for

48 the cost of collection, which shall be deposited in the state's general revenue fund  
49 after payment of premiums for surety bonds as provided in section 32.087,] shall  
50 be deposited with the state treasurer in a special fund, which is hereby created,  
51 to be known as the "Community Children's Services Fund". [The moneys in the  
52 city or county, or city not within a county, community children's services fund  
53 shall not be deemed to be state funds and shall not be commingled with any funds  
54 of the state.] The director of revenue shall keep accurate records of the amount  
55 of money in the fund which was collected in each city or county, or city not within  
56 a county, imposing a sales tax under this section, and the records shall be open  
57 to the inspection of officers of each city or county, or city not within a county, and  
58 the general public. Not later than the tenth day of each month, the director of  
59 revenue shall distribute all moneys deposited in the fund during the preceding  
60 month by distributing to the city or county treasurer, or the treasurer of a city  
61 not within a county, or such other officer as may be designated by a city or county  
62 ordinance or order, or ordinance or order of a city not within a county, of each city  
63 or county, or city not within a county, imposing the tax authorized by this section,  
64 the sum, as certified by the director of revenue, due the city or county.

65 4. The director of revenue may authorize the state treasurer to make  
66 refunds from the amounts in the fund and credited to any city or county, or city  
67 not within a county, for erroneous payments and overpayments made, and may  
68 redeem dishonored checks and drafts deposited to the credit of such  
69 counties. Each city or county, or city not within a county, shall notify the director  
70 of revenue [at least ninety days] prior to the effective date of the expiration of the  
71 sales tax authorized by this section and **the repeal shall be effective as**  
72 **provided by subsection 19 of section 32.087.** The director of revenue may  
73 order retention in the fund, for a period of one year, of two percent of the amount  
74 collected after receipt of such notice to cover possible refunds or overpayment of  
75 such tax and to redeem dishonored checks and drafts deposited to the credit of  
76 such accounts. After one year has elapsed after the date of expiration of the tax  
77 authorized by this section in such city not within a county or such city or county,  
78 the director of revenue shall remit the balance in the account to the city or  
79 county, or city not within a county, and close the account of that city or county,  
80 or city not within a county. The director of revenue shall notify each city or  
81 county, or city not within a county, of each instance of any amount refunded or  
82 any check redeemed from receipts due the city or county.

83 5. Except as modified in this section, all provisions of sections 32.085

84 [and] to 32.087 shall apply to the tax imposed under this section.

85 6. All revenues generated by the tax prescribed in this section shall be  
86 deposited in the county treasury or, in a city not within a county, to the board  
87 established by law to administer such fund to the credit of a special community  
88 children's services fund to accomplish the purposes set out herein and in section  
89 210.861, and shall be used for no other purpose. Such fund shall be administered  
90 by a board of directors, established under section 210.861.

67.1959. 1. The board, by a majority vote, may submit to the residents  
2 of such district a tax of not more than one percent on all retail sales, except sales  
3 of [food as defined in section 144.014, sales of] new or used motor vehicles,  
4 trailers, boats, or other outboard motors[, all utilities, telephone and wireless  
5 services, and sales of funeral services,] made **on or after January 1, 2019,**  
6 within the district which are subject to taxation [pursuant to the provisions of  
7 sections 144.010 to 144.525] **under chapter 144.** Upon the written request of  
8 the board to the election authority of the county in which a majority of the area  
9 of the district is situated, such election authority shall submit a proposition to the  
10 residents of such district at a municipal or statewide primary or general election,  
11 or at a special election called for that purpose. Such election authority shall give  
12 legal notice as provided in chapter 115.

13 2. Such proposition shall be submitted to the voters of the district in  
14 substantially the following form at such election:

15 Shall the Tourism Community Enhancement District impose a  
16 sales tax of \_\_\_\_\_ (insert amount) for the purpose of promoting  
17 tourism in the district?

18  YES  NO

19 If you are in favor of the question, place an "X" in the box opposite  
20 "YES". If you are opposed to the question, place an "X" in the box  
21 opposite "NO".

22 If a majority of the votes cast on the proposal by the qualified voters of the  
23 proposed district voting thereon are in favor of the proposal, then the order shall  
24 become effective [on the first day of the second calendar quarter after the director  
25 of revenue receives notice of adoption of the tax] **as provided in subsection 19**  
26 **of section 32.087.** If the proposal receives less than the required majority, then  
27 the board shall have no power to impose the sales tax authorized pursuant to this  
28 section unless and until the board shall again have submitted another proposal  
29 to authorize the board to impose the sales tax authorized by this section and such

30 proposal is approved by the required majority of the qualified voters of the  
31 district.

32 **3. Except as modified by this section, all provisions of sections**  
33 **32.085 to 32.087 shall apply to the tax imposed under this section.**

67.2000. 1. This section shall be known as the "Exhibition Center and  
2 Recreational Facility District Act".

3 2. An exhibition center and recreational facility district may be created  
4 under this section in the following counties:

5 (1) Any county of the first classification with more than seventy-one  
6 thousand three hundred but less than seventy-one thousand four hundred  
7 inhabitants;

8 (2) Any county of the first classification with more than one hundred  
9 ninety-eight thousand but less than one hundred ninety-nine thousand two  
10 hundred inhabitants;

11 (3) Any county of the first classification with more than eighty-five  
12 thousand nine hundred but less than eighty-six thousand inhabitants;

13 (4) Any county of the second classification with more than fifty-two  
14 thousand six hundred but less than fifty-two thousand seven hundred  
15 inhabitants;

16 (5) Any county of the first classification with more than one hundred four  
17 thousand six hundred but less than one hundred four thousand seven hundred  
18 inhabitants;

19 (6) Any county of the third classification without a township form of  
20 government and with more than seventeen thousand nine hundred but less than  
21 eighteen thousand inhabitants;

22 (7) Any county of the first classification with more than thirty-seven  
23 thousand but less than thirty-seven thousand one hundred inhabitants;

24 (8) Any county of the third classification without a township form of  
25 government and with more than twenty-three thousand five hundred but less  
26 than twenty-three thousand six hundred inhabitants;

27 (9) Any county of the third classification without a township form of  
28 government and with more than nineteen thousand three hundred but less than  
29 nineteen thousand four hundred inhabitants;

30 (10) Any county of the first classification with more than two hundred  
31 forty thousand three hundred but less than two hundred forty thousand four  
32 hundred inhabitants;

33 (11) Any county of the third classification with a township form of  
34 government and with more than eight thousand nine hundred but fewer than  
35 nine thousand inhabitants;

36 (12) Any county of the third classification without a township form of  
37 government and with more than eighteen thousand nine hundred but fewer than  
38 nineteen thousand inhabitants;

39 (13) Any county of the third classification with a township form of  
40 government and with more than eight thousand but fewer than eight thousand  
41 one hundred inhabitants;

42 (14) Any county of the third classification with a township form of  
43 government and with more than eleven thousand five hundred but fewer than  
44 eleven thousand six hundred inhabitants.

45 3. Whenever not less than fifty owners of real property located within any  
46 county listed in subsection 2 of this section desire to create an exhibition center  
47 and recreational facility district, the property owners shall file a petition with the  
48 governing body of each county located within the boundaries of the proposed  
49 district requesting the creation of the district. The district boundaries may  
50 include all or part of the counties described in this section. The petition shall  
51 contain the following information:

52 (1) The name and residence of each petitioner and the location of the real  
53 property owned by the petitioner;

54 (2) A specific description of the proposed district boundaries, including a  
55 map illustrating the boundaries; and

56 (3) The name of the proposed district.

57 4. Upon the filing of a petition pursuant to this section, the governing  
58 body of any county described in this section may, by resolution, approve the  
59 creation of a district. Any resolution to establish such a district shall be adopted  
60 by the governing body of each county located within the proposed district, and  
61 shall contain the following information:

62 (1) A description of the boundaries of the proposed district;

63 (2) The time and place of a hearing to be held to consider establishment  
64 of the proposed district;

65 (3) The proposed sales tax rate to be voted on within the proposed district;  
66 and

67 (4) The proposed uses for the revenue generated by the new sales tax.

68 5. Whenever a hearing is held as provided by this section, the governing

69 body of each county located within the proposed district shall:

70 (1) Publish notice of the hearing on two separate occasions in at least one  
71 newspaper of general circulation in each county located within the proposed  
72 district, with the first publication to occur not more than thirty days before the  
73 hearing, and the second publication to occur not more than fifteen days or less  
74 than ten days before the hearing;

75 (2) Hear all protests and receive evidence for or against the establishment  
76 of the proposed district; and

77 (3) Rule upon all protests, which determinations shall be final.

78 6. Following the hearing, if the governing body of each county located  
79 within the proposed district decides to establish the proposed district, it shall  
80 adopt an order to that effect; if the governing body of any county located within  
81 the proposed district decides to not establish the proposed district, the boundaries  
82 of the proposed district shall not include that county. The order shall contain the  
83 following:

84 (1) The description of the boundaries of the district;

85 (2) A statement that an exhibition center and recreational facility district  
86 has been established;

87 (3) The name of the district;

88 (4) The uses for any revenue generated by a sales tax imposed pursuant  
89 to this section; and

90 (5) A declaration that the district is a political subdivision of the state.

91 7. A district established pursuant to this section may, at a general,  
92 primary, or special election, submit to the qualified voters within the district  
93 boundaries a sales tax of one-fourth of one percent, for a period not to exceed  
94 twenty-five years, on all retail sales within the district, which are subject to  
95 taxation [pursuant to sections 144.010 to 144.525] **under chapter 144**, to fund  
96 the acquisition, construction, maintenance, operation, improvement, and  
97 promotion of an exhibition center and recreational facilities. The ballot of  
98 submission shall be in substantially the following form:

99 Shall the \_\_\_\_\_ (name of district) impose a sales tax of one-fourth  
100 of one percent to fund the acquisition, construction, maintenance,  
101 operation, improvement, and promotion of an exhibition center and  
102 recreational facilities, for a period of \_\_\_\_\_ (insert number of  
103 years)?

104  YES

NO

105 If you are in favor of the question, place an "X" in the box opposite  
106 "YES". If you are opposed to the question, place an "X" in the box  
107 opposite "NO".

108 If a majority of the votes cast in the portion of any county that is part of the  
109 proposed district favor the proposal, then the sales tax shall become effective in  
110 that portion of the county [that is part of the proposed district on the first day of  
111 the first calendar quarter immediately following the election] **as provided by**  
112 **subsection 19 of section 32.087**. If a majority of the votes cast in the portion  
113 of a county that is a part of the proposed district oppose the proposal, then that  
114 portion of such county shall not impose the sales tax authorized in this section  
115 until after the county governing body has submitted another such sales tax  
116 proposal and the proposal is approved by a majority of the qualified voters voting  
117 thereon. However, if a sales tax proposal is not approved, the governing body of  
118 the county shall not resubmit a proposal to the voters pursuant to this section  
119 sooner than twelve months from the date of the last proposal submitted pursuant  
120 to this section. If the qualified voters in two or more counties that have  
121 contiguous districts approve the sales tax proposal, the districts shall combine to  
122 become one district.

123 8. There is hereby created a board of trustees to administer any district  
124 created and the expenditure of revenue generated pursuant to this section  
125 consisting of four individuals to represent each county approving the district, as  
126 provided in this subsection. The governing body of each county located within the  
127 district, upon approval of that county's sales tax proposal, shall appoint four  
128 members to the board of trustees; at least one shall be an owner of a nonlodging  
129 business located within the taxing district, or their designee, at least one shall  
130 be an owner of a lodging facility located within the district, or their designee, and  
131 all members shall reside in the district except that one nonlodging business  
132 owner, or their designee, and one lodging facility owner, or their designee, may  
133 reside outside the district. Each trustee shall be at least twenty-five years of age  
134 and a resident of this state. Of the initial trustees appointed from each county,  
135 two shall hold office for two years, and two shall hold office for four  
136 years. Trustees appointed after expiration of the initial terms shall be appointed  
137 to a four-year term by the governing body of the county the trustee represents,  
138 with the initially appointed trustee to remain in office until a successor is  
139 appointed, and shall take office upon being appointed. Each trustee may be  
140 reappointed. Vacancies shall be filled in the same manner in which the trustee

141 vacating the office was originally appointed. The trustees shall not receive  
142 compensation for their services, but may be reimbursed for their actual and  
143 necessary expenses. The board shall elect a chair and other officers necessary for  
144 its membership. Trustees may be removed if:

145 (1) By a two-thirds vote, the board moves for the member's removal and  
146 submits such motion to the governing body of the county from which the trustee  
147 was appointed; and

148 (2) The governing body of the county from which the trustee was  
149 appointed, by a majority vote, adopts the motion for removal.

150 9. The board of trustees shall have the following powers, authority, and  
151 privileges:

152 (1) To have and use a corporate seal;

153 (2) To sue and be sued, and be a party to suits, actions, and proceedings;

154 (3) To enter into contracts, franchises, and agreements with any person  
155 or entity, public or private, affecting the affairs of the district, including contracts  
156 with any municipality, district, or state, or the United States, and any of their  
157 agencies, political subdivisions, or instrumentalities, for the funding, including  
158 without limitation interest rate exchange or swap agreements, planning,  
159 development, construction, acquisition, maintenance, or operation of a single  
160 exhibition center and recreational facilities or to assist in such  
161 activity. "Recreational facilities" means locations explicitly designated for public  
162 use where the primary use of the facility involves participation in hobbies or  
163 athletic activities;

164 (4) To borrow money and incur indebtedness and evidence the same by  
165 certificates, notes, or debentures, to issue bonds and use any one or more lawful  
166 funding methods the district may obtain for its purposes at such rates of interest  
167 as the district may determine. Any bonds, notes, and other obligations issued or  
168 delivered by the district may be secured by mortgage, pledge, or deed of trust of  
169 any or all of the property and income of the district. Every issue of such bonds,  
170 notes, or other obligations shall be payable out of property and revenues of the  
171 district and may be further secured by other property of the district, which may  
172 be pledged, assigned, mortgaged, or a security interest granted for such payment,  
173 without preference or priority of the first bonds issued, subject to any agreement  
174 with the holders of any other bonds pledging any specified property or  
175 revenues. Such bonds, notes, or other obligations shall be authorized by  
176 resolution of the district board, and shall bear such date or dates, and shall

177 mature at such time or times, but not in excess of thirty years, as the resolution  
178 shall specify. Such bonds, notes, or other obligations shall be in such  
179 denomination, bear interest at such rate or rates, be in such form, either coupon  
180 or registered, be issued as current interest bonds, compound interest bonds,  
181 variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such  
182 manner, be payable in such place or places, and be subject to redemption as such  
183 resolution may provide, notwithstanding section 108.170. The bonds, notes, or  
184 other obligations may be sold at either public or private sale, at such interest  
185 rates, and at such price or prices as the district shall determine;

186 (5) To acquire, transfer, donate, lease, exchange, mortgage, and encumber  
187 real and personal property in furtherance of district purposes;

188 (6) To refund any bonds, notes, or other obligations of the district without  
189 an election. The terms and conditions of refunding obligations shall be  
190 substantially the same as those of the original issue, and the board shall provide  
191 for the payment of interest at not to exceed the legal rate, and the principal of  
192 such refunding obligations in the same manner as is provided for the payment of  
193 interest and principal of obligations refunded;

194 (7) To have the management, control, and supervision of all the business  
195 and affairs of the district, and the construction, installation, operation, and  
196 maintenance of district improvements therein; to collect rentals, fees, and other  
197 charges in connection with its services or for the use of any of its facilities;

198 (8) To hire and retain agents, employees, engineers, and attorneys;

199 (9) To receive and accept by bequest, gift, or donation any kind of  
200 property;

201 (10) To adopt and amend bylaws and any other rules and regulations not  
202 in conflict with the constitution and laws of this state, necessary for the carrying  
203 on of the business, objects, and affairs of the board and of the district; and

204 (11) To have and exercise all rights and powers necessary or incidental  
205 to or implied from the specific powers granted by this section.

206 10. There is hereby created the "Exhibition Center and Recreational  
207 Facility District Sales Tax Trust Fund", which shall consist of all sales tax  
208 revenue collected pursuant to this section. The director of revenue shall be  
209 custodian of the trust fund, and moneys in the trust fund shall be used solely for  
210 the purposes authorized in this section. Moneys in the trust fund shall be  
211 considered nonstate funds pursuant to Section 15, Article IV, Constitution of  
212 Missouri. The director of revenue shall invest moneys in the trust fund in the

213 same manner as other funds are invested. Any interest and moneys earned on  
214 such investments shall be credited to the trust fund. All sales taxes collected by  
215 the director of revenue pursuant to this section on behalf of the district[, less one  
216 percent for the cost of collection which shall be deposited in the state's general  
217 revenue fund after payment of premiums for surety bonds as provided in section  
218 32.087,] shall be deposited in the trust fund. The director of revenue shall keep  
219 accurate records of the amount of moneys in the trust fund which was collected  
220 in the district imposing a sales tax pursuant to this section, and the records shall  
221 be open to the inspection of the officers of each district and the general  
222 public. Not later than the tenth day of each month, the director of revenue shall  
223 distribute all moneys deposited in the trust fund during the preceding month to  
224 the district. The director of revenue may authorize refunds from the amounts in  
225 the trust fund and credited to the district for erroneous payments and  
226 overpayments made, and may redeem dishonored checks and drafts deposited to  
227 the credit of the district.

228         11. The sales tax authorized by this section is in addition to all other  
229 sales taxes allowed by law. **After the effective date of any tax imposed**  
230 **under the provisions of this section, the director of revenue shall**  
231 **perform all functions incident to the administration, collection,**  
232 **enforcement, and operation of the tax and collect, in addition to the**  
233 **sales tax for the state of Missouri, the additional tax authorized under**  
234 **the authority of this section. The tax imposed under this section and**  
235 **the tax imposed under the sales tax law of the state of Missouri shall be**  
236 **collected together and reported upon such forms and under such**  
237 **administrative rules and regulations as may be prescribed by the**  
238 **director of revenue.**

239         12. Except as modified in this section, all provisions of sections 32.085  
240 [and] to 32.087 apply to the sales tax imposed pursuant to this section.

241         [12.] 13. Any sales tax imposed pursuant to this section shall not extend  
242 past the initial term approved by the voters unless an extension of the sales tax  
243 is submitted to and approved by the qualified voters in each county in the manner  
244 provided in this section. Each extension of the sales tax shall be for a period not  
245 to exceed twenty years. The ballot of submission for the extension shall be in  
246 substantially the following form:

247         Shall the \_\_\_\_\_ (name of district) extend the sales tax of  
248         one-fourth of one percent for a period of \_\_\_\_\_ (insert number of

249 years) years to fund the acquisition, construction, maintenance,  
250 operation, improvement, and promotion of an exhibition center and  
251 recreational facilities?

252  YES  NO

253 If you are in favor of the question, place an "X" in the box opposite  
254 "YES". If you are opposed to the question, place an "X" in the box  
255 opposite "NO".

256 If a majority of the votes cast favor the extension, then the sales tax shall remain  
257 in effect at the rate and for the time period approved by the voters. If a sales tax  
258 extension is not approved, the district may submit another sales tax proposal as  
259 authorized in this section, but the district shall not submit such a proposal to the  
260 voters sooner than twelve months from the date of the last extension submitted.

261 [13.] 14. Once the sales tax authorized by this section is abolished or  
262 terminated by any means, all funds remaining in the trust fund shall be used  
263 solely for the purposes approved in the ballot question authorizing the sales  
264 tax. The sales tax shall not be abolished or terminated while the district has any  
265 financing or other obligations outstanding; provided that any new financing, debt,  
266 or other obligation or any restructuring or refinancing of an existing debt or  
267 obligation incurred more than ten years after voter approval of the sales tax  
268 provided in this section or more than ten years after any voter-approved  
269 extension thereof shall not cause the extension of the sales tax provided in this  
270 section or cause the final maturity of any financing or other obligations  
271 outstanding to be extended. Any funds in the trust fund which are not needed  
272 for current expenditures may be invested by the district in the securities  
273 described in subdivisions (1) to (12) of subsection 1 of section 30.270 or  
274 repurchase agreements secured by such securities. If the district abolishes the  
275 sales tax, the district shall notify the director of revenue of the action [at least  
276 ninety days before the effective date of the repeal,] and the director of revenue  
277 may order retention in the trust fund, for a period of one year, of two percent of  
278 the amount collected after receipt of such notice to cover possible refunds or  
279 overpayment of the sales tax and to redeem dishonored checks and drafts  
280 deposited to the credit of such accounts. After one year has elapsed after the  
281 effective date of abolition of the sales tax in the district, the director of revenue  
282 shall remit the balance in the account to the district and close the account of the  
283 district. The director of revenue shall notify the district of each instance of any  
284 amount refunded or any check redeemed from receipts due the district.



22 opposite "NO".

23 If a majority of the votes cast on the proposal by the qualified voters voting  
24 thereon are in favor of the proposal, then the ordinance or order and any  
25 amendments thereto shall be in effect [on the first day of the first calendar  
26 quarter immediately following notification to the director of the department of  
27 revenue of the election approving the proposal] **as provided by subsection 19**  
28 **of section 32.087.** If a proposal receives less than the required majority, then  
29 the governing authority of the city shall have no power to impose the sales tax  
30 unless and until the governing authority of the city has submitted another  
31 proposal to authorize the imposition of the sales tax authorized by this section  
32 and such proposal is approved by the required majority of the qualified voters  
33 voting thereon. However, in no event shall a proposal pursuant to this section be  
34 submitted to the voters sooner than twelve months from the date of the last  
35 proposal pursuant to this section.

36 3. [On and after the effective date of any tax authorized in this section,  
37 the city may adopt one of the two following provisions for the collection and  
38 administration of the tax:

39 (1) The city may adopt rules and regulations for the internal collection of  
40 such tax by the city officers usually responsible for collection and administration  
41 of city taxes; or

42 (2) The city may enter into an agreement with the director of revenue of  
43 the state of Missouri for the purpose of collecting the tax authorized in this  
44 section. In the event any city enters into an agreement with the director of  
45 revenue of the state of Missouri for the collection of the tax authorized in this  
46 section, the director of revenue shall perform all functions incident to the  
47 administration, collection, enforcement, and operation of such tax, and the  
48 director of revenue shall collect the additional tax authorized in this section. The  
49 tax authorized in this section shall be collected and reported upon such forms and  
50 under such administrative rules and regulations as may be prescribed by the  
51 director of revenue, and the director of revenue shall retain an amount not to  
52 exceed one percent for cost of collection.

53 4. If a tax is imposed by a city pursuant to this section, the city may  
54 collect a penalty of one percent and interest not to exceed two percent per month  
55 on unpaid taxes which shall be considered delinquent thirty days after the last  
56 day of each quarter] **After the effective date of any tax imposed under the**  
57 **provisions of this section, the director of revenue shall perform all**

58 **functions incident to the administration, collection, enforcement, and**  
59 **operation of the tax and collect, in addition to the sales tax for the**  
60 **state of Missouri, the additional tax authorized under the authority of**  
61 **this section. The tax imposed under this section and the tax imposed**  
62 **under the sales tax law of the state of Missouri shall be collected**  
63 **together and reported upon such forms and under such administrative**  
64 **rules and regulations as may be prescribed by the director of revenue.**

65 [5.] 4. (1) The governing authority of any city that has adopted any sales  
66 tax pursuant to this section shall, upon filing of a petition calling for the repeal  
67 of such sales tax signed by at least ten percent of the qualified voters in the city,  
68 submit the question of repeal of the sales tax to the qualified voters at any  
69 primary or general election. The ballot of submission shall be in substantially the  
70 following form:

71 Shall \_\_\_\_\_ (insert name of city) repeal the sales tax of \_\_\_\_\_  
72 (insert rate of percent) percent for tourism purposes now in effect  
73 in \_\_\_\_\_ (insert name of city)?

74  YES  NO

75 If you are in favor of the question, place an "X" in the box opposite  
76 "YES". If you are opposed to the question, place an "X" in the box  
77 opposite "NO".

78 If a majority of the votes cast on the proposal are in favor of repeal, that repeal  
79 shall become effective [on December thirty-first of the calendar year in which  
80 such repeal was approved] **as provided by subsection 19 of section 32.087.**  
81 **If the city or county abolishes the tax, the city or county shall notify**  
82 **the director of revenue of the action prior to the effective date of the**  
83 **repeal.**

84 (2) Once the tax is repealed as provided in this section, all funds  
85 remaining in any trust fund or account established to receive revenues generated  
86 by the tax shall be used solely for the original stated purpose of the tax. Any  
87 funds which are not needed for current expenditures may be invested by the  
88 governing authority in accordance with applicable laws relating to the investment  
89 of other city funds.

90 (3) The governing authority of a city repealing a tax pursuant to this  
91 section shall notify the director of revenue of the action [at least forty-five days  
92 before] **prior to** the effective date of the repeal and the director of revenue may  
93 order retention in any trust fund created in the state treasury associated with the

94 tax, for a period of one year, of two percent of the amount collected after receipt  
95 of such notice to cover refunds or overpayment of the tax and to redeem  
96 dishonored checks and drafts deposited to the credit of such accounts. After one  
97 year has elapsed after the effective date of repeal of the tax in the city, the  
98 director of revenue shall remit the balance in the trust fund to the city and close  
99 the account of that city. The director of revenue shall notify each city of each  
100 instance of any amount refunded or any check redeemed from receipts due the  
101 city.

102 (4) In the event that the repeal of a sales tax pursuant to this section  
103 dissolves or terminates a taxing district, the governing authority of the city shall  
104 appoint a person to act as trustee for the district so dissolved or  
105 terminated. Before beginning the discharge of duties, the trustee shall take and  
106 subscribe an oath to faithfully discharge the duties of the office, and shall give  
107 bond with sufficient security, approved by the governing authority of the city, to  
108 the use of the dissolved or terminated district, for the faithful discharge of  
109 duties. The trustee shall have and exercise all powers necessary to liquidate the  
110 district, and upon satisfaction of all remaining obligations of the district, shall  
111 pay over to the city treasurer or the equivalent official and take receipt for all  
112 remaining moneys. Upon payment to the city treasurer, the trustee shall deliver  
113 to the clerk of the governing authority of the city all books, papers, records, and  
114 deeds belonging to the dissolved district.

115 [6.] 5. Except as modified in this section, all provisions of sections 32.085  
116 [and] to 32.087 shall apply to the tax imposed pursuant to this section.

67.2525. 1. Each member of the board of directors shall have the  
2 following qualifications:

3 (1) As to those subdistricts in which there are registered voters, a resident  
4 registered voter in the subdistrict that he or she represents, or be a property  
5 owner or, as to those subdistricts in which there are not registered voters who are  
6 residents, a property owner or representative of a property owner in the  
7 subdistrict he or she represents;

8 (2) Be at least twenty-one years of age and a registered voter in the  
9 district.

10 2. The district shall be subdivided into at least five but not more than  
11 fifteen subdistricts, which shall be represented by one representative on the  
12 district board of directors. All board members shall have terms of four years,  
13 including the initial board of directors. All members shall take office upon being

14 appointed and shall remain in office until a successor is appointed by the mayor  
15 or chairman of the municipality in which the district is located, or elected by the  
16 property owners in those subdistricts without registered voters.

17 3. For those subdistricts which contain one or more registered voters, the  
18 mayor or chairman of the city, town, or village shall, with the consent of the  
19 governing body, appoint a registered voter residing in the subdistrict to the board  
20 of directors.

21 4. For those subdistricts which contain no registered voters, the property  
22 owners who collectively own one or more parcels of real estate comprising more  
23 than half of the land situated in each subdistrict shall meet and shall elect a  
24 representative to serve upon the board of directors. The clerk of the city, town,  
25 or village in which the petition was filed shall, unless waived in writing by all  
26 property owners in the subdistrict, give notice by causing publication to be made  
27 once a week for two consecutive weeks in a newspaper of general circulation in  
28 the county, the last publication of which shall be at least ten days before the day  
29 of the meeting required by this section, to call a meeting of the owners of real  
30 property within the subdistrict at a day and hour specified in a public place in  
31 the city, town, or village in which the petition was filed for the purpose of electing  
32 members of the board of directors.

33 5. The property owners, when assembled, shall organize by the election  
34 of a temporary chairman and secretary of the meeting who shall conduct the  
35 election. An election shall be conducted for each subdistrict, with the eligible  
36 property owners voting in that subdistrict. At the election, each acre of real  
37 property within the subdistrict shall represent one share, and each owner,  
38 including corporations and other entities, may have one vote in person or for  
39 every acre of real property owned by such person within the subdistrict. Each  
40 voter which is not an individual shall determine how to cast its vote as provided  
41 for in its articles of incorporation, articles of organization, articles of partnership,  
42 bylaws, or other document which sets forth an appropriate mechanism for the  
43 determination of the entity's vote. If a voter has no such mechanism, then its  
44 vote shall be cast as determined by a majority of the persons who run the  
45 day-to-day affairs of the voter. The results of the meeting shall be certified by the  
46 temporary chairman and secretary to the municipal clerk if the district is  
47 established by a municipality described in this section, or to the circuit clerk if  
48 the district is established by a circuit court.

49 6. Successor boards shall be appointed or elected, depending upon the

50 presence or absence of resident registered voters, by the mayor or chairman of a  
51 city, town, or village described in this section, or the property owners as set forth  
52 above; provided, however, that elections held by the property owners after the  
53 initial board is elected shall be certified to the municipal clerk of the city, town,  
54 or village where the district is located and the board of directors of the district.

55 7. Should a vacancy occur on the board of directors, the mayor or  
56 chairman of the city, town, or village if there are registered voters within the  
57 subdistrict, or a majority of the owners of real property in a subdistrict if there  
58 are not registered voters in the subdistrict, shall have the authority to appoint  
59 or elect, as set forth in this section, an interim director to complete any unexpired  
60 term of a director caused by resignation or disqualification.

61 8. The board shall possess and exercise all of the district's legislative and  
62 executive powers, including:

63 (1) The power to fund, promote and provide educational, civic, musical,  
64 theatrical, cultural, concerts, lecture series, and related or similar entertainment  
65 events or activities, and fund, promote, plan, design, construct, improve,  
66 maintain, and operate public improvements, transportation projects, and related  
67 facilities within the district;

68 (2) The power to accept and disburse tax or other revenue collected in the  
69 district; and

70 (3) The power to receive property by gift or otherwise.

71 9. Within thirty days after the selection of the initial directors, the board  
72 shall meet. At its first meeting and annually thereafter the board shall elect a  
73 chairman from its members.

74 10. The board shall appoint an executive director, district secretary,  
75 treasurer, and such other officers or employees as it deems necessary.

76 11. At the first meeting, the board, by resolution, shall define the first and  
77 subsequent fiscal years of the district, and shall adopt a corporate seal.

78 12. A simple majority of the board shall constitute a quorum. If a quorum  
79 exists, a majority of those voting shall have the authority to act in the name of  
80 the board, and approve any board resolution.

81 13. At the first meeting, the board, by resolution, shall receive the  
82 certification of the election regarding the sales tax, and may impose the sales tax  
83 in all subdistricts approving the imposing sales tax. In those subdistricts that  
84 approve the sales tax, the sales tax shall become effective [on the first day of the  
85 first calendar quarter immediately following the action by the district board of

86 directors imposing the tax] **as provided by section 32.087.**

87           14. Each director shall devote such time to the duties of the office as the  
88 faithful discharge thereof may require and be reimbursed for his or her actual  
89 expenditures in the performance of his or her duties on behalf of the  
90 district. Directors may be compensated, but such compensation shall not exceed  
91 one hundred dollars per month.

92           15. In addition to all other powers granted by sections 67.2500 to 67.2530,  
93 the district shall have the following general powers:

94           (1) To sue and be sued in its own name, and to receive service of process,  
95 which shall be served upon the district secretary;

96           (2) To fix compensation of its employees and contractors;

97           (3) To enter into contracts, franchises, and agreements with any person  
98 or entity, public or private, affecting the affairs of the district, including contracts  
99 with any municipality, district, or state, or the United States, and any of their  
100 agencies, political subdivisions, or instrumentalities, for the funding, including  
101 without limitation, interest rate exchange or swap agreements, planning,  
102 development, construction, acquisition, maintenance, or operation of a district  
103 facility or to assist in such activity;

104           (4) To acquire, develop, construct, equip, transfer, donate, lease, exchange,  
105 mortgage, and encumber real and personal property in furtherance of district  
106 purposes;

107           (5) To collect and disburse funds for its activities;

108           (6) To collect taxes and other revenues;

109           (7) To borrow money and incur indebtedness and evidence the same by  
110 certificates, notes, bonds, debentures, or refunding of any such obligations for the  
111 purpose of paying all or any part of the cost of land, construction, development,  
112 or equipping of any facilities or operations of the district;

113           (8) To own or lease real or personal property for use in connection with  
114 the exercise of powers pursuant to this subsection;

115           (9) To provide for the election or appointment of officers, including a  
116 chairman, treasurer, and secretary. Officers shall not be required to be residents  
117 of the district, and one officer may hold more than one office;

118           (10) To hire and retain agents, employees, engineers, and attorneys;

119           (11) To enter into entertainment contracts binding the district and artists,  
120 agencies, or performers, management contracts, contracts relating to the booking  
121 of entertainment and the sale of tickets, and all other contracts which relate to

122 the purposes of the district;

123 (12) To contract with a local government, a corporation, partnership, or  
124 individual regarding funding, promotion, planning, designing, constructing,  
125 improving, maintaining, or operating a project or to assist in such activity;

126 (13) To contract for transfer to a city, town, or village such district  
127 facilities and improvements free of cost or encumbrance on such terms set forth  
128 by contract;

129 (14) To exercise such other powers necessary or convenient for the district  
130 to accomplish its purposes which are not inconsistent with its express powers.

131 16. A district may at any time authorize or issue notes, bonds, or other  
132 obligations for any of its powers or purposes. Such notes, bonds, or other  
133 obligations:

134 (1) Shall be in such amounts as deemed necessary by the district,  
135 including costs of issuance thereof;

136 (2) Shall be payable out of all or any portion of the revenues or other  
137 assets of the district;

138 (3) May be secured by any property of the district which may be pledged,  
139 assigned, mortgaged, or otherwise encumbered for payment;

140 (4) Shall be authorized by resolution of the district, and if issued by the  
141 district, shall bear such date or dates, and shall mature at such time or times,  
142 but not in excess of forty years, as the resolution shall specify;

143 (5) Shall be in such denomination, bear interest at such rates, be in such  
144 form, be issued as current interest bonds, compound interest bonds, variable rate  
145 bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be  
146 payable in such place or places and subject to redemption as such resolution may  
147 provide; and

148 (6) May be sold at either public or private sale, at such interest rates, and  
149 at such price or prices as the district shall determine.

150 The provisions of this subsection are applicable to the district notwithstanding  
151 the provisions of section 108.170.

67.2530. 1. Any note, bond, or other indebtedness of the district may be  
2 refunded at any time by the district by issuing refunding bonds in such amount  
3 as the district may deem necessary. Such bonds shall be subject to and shall  
4 have the benefit of the foregoing provisions regarding notes, bonds, and other  
5 obligations. Without limiting the generality of the foregoing, refunding bonds  
6 may include amounts necessary to finance any premium, unpaid interest, and

7 costs of issuance in connection with the refunding bonds. Any such refunding  
8 may be effected whether the bonds to be refunded then shall have matured or  
9 thereafter shall mature, either by sale of the refunding bonds and the application  
10 of the proceeds thereof to the payment of the obligations being refunded or the  
11 exchange of the refunding bonds for the obligations being refunded with the  
12 consent of the holders of the obligations being refunded.

13 2. Notes, bonds, or other indebtedness of the district shall be exclusively  
14 the responsibility of the district payable solely out of the district funds and  
15 property and shall not constitute a debt or liability of the state of Missouri or any  
16 agency or political subdivision of the state. Any notes, bonds, or other  
17 indebtedness of the district shall state on their face that they are not obligations  
18 of the state of Missouri or any agency or political subdivision thereof other than  
19 the district.

20 3. Any district may by resolution impose a district sales tax of up to  
21 one-half of one percent on all retail sales made in such district that are subject  
22 to taxation [pursuant to the provisions of sections 144.010 to 144.525] **under**  
23 **chapter 144**. Upon voter approval, and receiving the necessary certifications  
24 from the governing body of the municipality in which the district is located, or  
25 from the circuit court if the district was formed by the circuit court, the board of  
26 directors shall have the power to impose a sales tax at its first meeting, or any  
27 meeting thereafter. Voter approval of the question of the imposing sales tax shall  
28 be in accordance with section 67.2520. [The sales tax shall become effective in  
29 those subdistricts that approve the sales tax on the first day of the first calendar  
30 quarter immediately following the passage of a resolution by the board of  
31 directors imposing the sales tax.

32 4. In each district in which a sales tax has been imposed in the manner  
33 provided by this section, every retailer shall add the tax imposed by the district  
34 pursuant to this section to the retailer's sale price, and when so added, such tax  
35 shall constitute a part of the price, shall be a debt of the purchaser to the retailer  
36 until paid, and shall be recoverable at law in the same manner as the purchase  
37 price.

38 5. In order to permit sellers required to collect and report the sales tax  
39 authorized by this section to collect the amount required to be reported and  
40 remitted, but not to change the requirements of reporting or remitting tax or to  
41 serve as a levy of the tax, and in order to avoid fractions of pennies, the district  
42 may establish appropriate brackets which shall be used in the district imposing

43 a tax pursuant to this section in lieu of those brackets provided in section  
44 144.285.

45 **6.] 4.** All revenue received by a district from the sales tax authorized by  
46 this section shall be deposited in a special trust fund and shall be used solely for  
47 the purposes of the district. Any funds in such special trust fund which are not  
48 needed for the district's current expenditures may be invested by the district  
49 board of directors in accordance with applicable laws relating to the investment  
50 of other district funds.

51 **[7.] 5.** The sales tax may be imposed at a rate of up to one-half of one  
52 percent on the receipts from the sale at retail of all [tangible personal property  
53 or taxable services] **sales** at retail within the district adopting such tax, if such  
54 property and services are subject to taxation by the state of Missouri [pursuant  
55 to the provisions of sections 144.010 to 144.525] **under chapter 144.** Any  
56 district sales tax imposed pursuant to this section shall be imposed at a rate that  
57 shall be uniform throughout the subdistricts approving the sales tax.

58 **[8.** The resolution imposing the sales tax pursuant to this section shall  
59 impose upon all sellers a tax for the privilege of engaging in the business of  
60 selling tangible personal property or rendering taxable services at retail to the  
61 extent and in the manner provided in sections 144.010 to 144.525 and the rules  
62 and regulations of the director of revenue issued pursuant thereto; except that  
63 the rate of the tax shall be the rate imposed by the resolution as the sales tax and  
64 the tax shall be reported and returned to and collected by the district.

65 **9. (1)** On and after the effective date of any sales tax imposed pursuant  
66 to this section, the district shall perform all functions incident to the  
67 administration, collection, enforcement, and operation of the tax. The sales tax  
68 imposed pursuant to this section shall be collected and reported upon such forms  
69 and under such administrative rules and regulations as may be prescribed by the  
70 district.

71 **(2)]**

72 **6. After the effective date of any tax imposed under the**  
73 **provisions of this section, the director of revenue shall perform all**  
74 **functions incident to the administration, collection, enforcement, and**  
75 **operation of the tax and collect, in addition to the sales tax for the**  
76 **state of Missouri, the additional tax authorized under the authority of**  
77 **this section. The tax imposed under this section and the tax imposed**  
78 **under the sales tax law of the state of Missouri shall be collected**

79 **together and reported upon such forms and under such administrative**  
80 **rules and regulations as may be prescribed by the director of revenue.**

81         7. All [such] sales taxes [collected by the district] shall be deposited by  
82 the district in a special fund to be expended for the purposes authorized in this  
83 section. The district shall keep accurate records of the amount of money which  
84 was collected pursuant to this section, and the records shall be open to the  
85 inspection of officers of each district and the general public.

86         [(3) The district may contract with the municipality that the district is  
87 within for the municipality to collect any revenue received by the district and,  
88 after deducting the cost of such collection, but not to exceed one percent of the  
89 total amount collected, deposit such revenue in a special trust account. Such  
90 revenue and interest may be applied by the municipality to expenses, costs, or  
91 debt service of the district at the direction of the district as set forth in a contract  
92 between the municipality and the district.

93         10. (1) All applicable provisions contained in sections 144.010 to 144.525  
94 governing the state sales tax, sections 32.085 and 32.087, and section 32.057, the  
95 uniform confidentiality provision, shall apply to the collection of the tax imposed  
96 by this section, except as modified in this section.

97         (2) All exemptions granted to agencies of government, organizations,  
98 persons, and to the sale of certain articles and items of tangible personal property  
99 and taxable services pursuant to the provisions of sections 144.010 to 144.525 are  
100 hereby made applicable to the imposition and collection of the tax imposed by this  
101 section.

102         (3) The same sales tax permit, exemption certificate, and retail certificate  
103 required by sections 144.010 to 144.525 for the administration and collection of  
104 the state sales tax shall satisfy the requirements of this section, and no  
105 additional permit or exemption certificate or retail certificate shall be required;  
106 except that the district may prescribe a form of exemption certificate for an  
107 exemption from the tax imposed by this section.

108         (4) All discounts allowed the retailer pursuant to the provisions of the  
109 state sales tax laws for the collection of and for payment of taxes pursuant to  
110 such laws are hereby allowed and made applicable to any taxes collected pursuant  
111 to the provisions of this section.

112         (5) The penalties provided in section 32.057 and sections 144.010 to  
113 144.525 for violation of those sections are hereby made applicable to violations  
114 of this section.

115 (6) For the purpose of a sales tax imposed by a resolution pursuant to this  
 116 section, all retail sales shall be deemed to be consummated at the place of  
 117 business of the retailer unless the tangible personal property sold is delivered by  
 118 the retailer or the retailer's agent to an out-of-state destination or to a common  
 119 carrier for delivery to an out-of-state destination. In the event a retailer has  
 120 more than one place of business in this state which participates in the sale, the  
 121 sale shall be deemed to be consummated at the place of business of the retailer  
 122 where the initial order for the tangible personal property is taken, even though  
 123 the order must be forwarded elsewhere for acceptance, approval of credit,  
 124 shipment, or billing. A sale by a retailer's employee shall be deemed to be  
 125 consummated at the place of business from which the employee works.

126 (7)] 8. Subsequent to the initial approval by the voters and  
 127 implementation of a sales tax in the district, the rate of the sales tax may be  
 128 increased, but not to exceed a rate of one-half of one percent on retail sales **made**  
 129 **in the district which are subject to sales tax under chapter 144** as  
 130 provided in this subsection. The election shall be conducted in accordance with  
 131 section 67.2520; provided, however, that the district board of directors may place  
 132 the question of the increase of the sales tax before the voters of the district by  
 133 resolution, and the municipal clerk of the city, town, or village which originally  
 134 conducted the incorporation of the district, or the circuit clerk of the court which  
 135 originally conducted the incorporation of the district, shall conduct the  
 136 subsequent election. In subsequent elections, the election judges shall certify the  
 137 election results to the district board of directors. The ballot of submission shall  
 138 be in substantially the following form:

139 Shall \_\_\_\_\_ (name of district) increase the \_\_\_\_\_ (insert amount)  
 140 percent district sales tax now in effect to \_\_\_\_\_ (insert amount) in  
 141 the \_\_\_\_\_ (name of district)?

142  YES  NO

143 If you are in favor of the question, place an "X" in the box opposite  
 144 "YES". If you are opposed to the question, place an "X" in the box  
 145 opposite "NO".

146 If a majority of the votes cast on the proposal by the qualified voters of the  
 147 district voting thereon are in favor of the increase, the increase shall become  
 148 effective [December thirty-first of the calendar year in which such increase was  
 149 approved] **as provided by subsection 19 of section 32.087.**

150 [11.] 9. (1) There shall not be any election as provided for in this section

151 while the district has any financing or other obligations outstanding.

152 (2) The board, when presented with a petition signed by at least one-third  
153 of the registered voters in a district that voted in the last gubernatorial election,  
154 or signed by at least two-thirds of property owners of the district, calling for an  
155 election to dissolve and repeal the tax shall submit the question to the voters  
156 using the same procedure by which the imposing tax was voted. The ballot of  
157 submission shall be in substantially the following form:

158 Shall \_\_\_\_\_ (name of district) dissolve and repeal the \_\_\_\_\_  
159 (insert amount) percent district sales tax now in effect in the  
160 \_\_\_\_\_ (name of district)?

161  YES  NO

162 If you are in favor of the question, place an "X" in the box opposite  
163 "YES". If you are opposed to the question, place an "X" in the box  
164 opposite "NO".

165 Such subsequent elections for the repeal of the sales tax shall be conducted in  
166 accordance with section 67.2520; provided, however, that the district board of  
167 directors may place the question of the repeal of the sales tax before the voters  
168 of the district, and the municipal clerk of the city, town, or village which  
169 originally conducted the incorporation of the district, or the circuit clerk of the  
170 court which originally conducted the incorporation of the district, shall conduct  
171 the subsequent election. In subsequent elections the election judges shall certify  
172 the election results to the district board of directors.

173 (3) If a majority of the votes cast on the proposal by the qualified voters  
174 of the district voting thereon are in favor of repeal, that repeal shall become  
175 effective [December thirty-first of the calendar year in which such repeal was  
176 approved or after the repayment of the district's indebtedness, whichever occurs  
177 later] **as provided by subsection 19 of section 32.087. If the district  
178 abolishes the tax, the district shall notify the director of revenue of the  
179 action prior to the effective date of the repeal.**

180 [12.] 10. (1) At such time as the board of directors of the district  
181 determines that further operation of the district is not in the best interests of the  
182 inhabitants of the district, and that the district should dissolve, the board shall  
183 submit for a vote in an election held throughout the district the question of  
184 whether the district should be abolished. The question shall be submitted in  
185 substantially the following form:

186 Shall the \_\_\_\_\_ theater, cultural arts, and entertainment district

187 be abolished?

188  YES

NO

189 If you are in favor of the question, place an "X" in the box opposite  
190 "YES". If you are opposed to the question, place an "X" in the box  
191 opposite "NO".

192 (2) The district board shall not propose the question to abolish the district  
193 while there are outstanding claims or causes of action pending against the  
194 district, while the district liabilities exceed its assets, while indebtedness of the  
195 district is outstanding, or while the district is insolvent, in receivership or under  
196 the jurisdiction of the bankruptcy court. Prior to submitting the question to  
197 abolish the district to a vote of the entire district, the state auditor shall audit  
198 the district to determine the financial status of the district, and whether the  
199 district may be abolished pursuant to law. The vote on the abolition of the  
200 district shall be conducted by the municipal clerk of the city, town, or village in  
201 which the district is located. The procedure shall be the same as in section  
202 67.2520, except that the question shall be determined by the qualified voters of  
203 the entire district. No individual subdistrict may be abolished, except at such  
204 time as the district is abolished.

205 (3) While the district still exists, it shall continue to accrue all revenues  
206 to which it is entitled at law.

207 (4) Upon receipt by the board of directors of the district of the certification  
208 by the city, town, or village in which the district is located that the majority of  
209 those voting within the entire district have voted to abolish the district, and if the  
210 state auditor has determined that the district's financial condition is such that  
211 it may be abolished pursuant to law, then the board of directors of the district  
212 shall:

213 (a) Sell any remaining district real or personal property it wishes, and  
214 then transfer the proceeds and any other real or personal property owned by the  
215 district to the city, town, or village in which the district is located, including  
216 revenues due and owing the district, for its further use and disposition;

217 (b) Terminate the employment of any remaining district employees, and  
218 otherwise conclude its affairs;

219 (c) At a public meeting of the district, declare by a resolution of the board  
220 of directors passed by a majority vote that the district has been abolished  
221 effective that date;

222 (d) Cause copies of that resolution under seal to be filed with the

223 secretary of state and the city, town, or village in which the district is located.  
 224 Upon the completion of the final act specified in this subsection, the legal  
 225 existence of the district shall cease.

226 (5) The legal existence of the district shall not cease for a period of two  
 227 years after voter approval of the abolition.

228 **11. Except as provided in this section, all provisions of sections**  
 229 **32.085 to 32.087 shall apply to the tax imposed under this section.**

94.578. 1. In addition to the sales tax authorized in section 94.577, the  
 2 governing body of any home rule city with more than one hundred fifty-one  
 3 thousand five hundred but less than one hundred fifty-one thousand six hundred  
 4 inhabitants is hereby authorized to impose, by order or ordinance, a sales tax on  
 5 all retail sales made within the city which are subject to sales tax under chapter  
 6 144. The tax authorized in this section may be imposed at a rate of one-eighth,  
 7 one-fourth, three-eighths, or one-half of one percent, but shall not exceed one-half  
 8 of one percent, shall not be imposed for longer than three years, and shall be  
 9 imposed solely for the purpose of funding the construction, operation, and  
 10 maintenance of capital improvements in the city's center city. The governing  
 11 body may issue bonds for the funding of such capital improvements, which will  
 12 be retired by the revenues received from the sales tax authorized by this  
 13 section. The order or ordinance shall not become effective unless the governing  
 14 body of the city submits to the voters residing within the city at a state or  
 15 municipal general, primary, or special election a proposal to authorize the  
 16 governing body of the city to impose a tax under this section. The tax authorized  
 17 in this section shall be in addition to all other sales taxes imposed by law, and  
 18 shall be stated separately from all other charges and taxes.

19 2. The ballot submission for the tax authorized in this section shall be in  
 20 substantially the following form:

21 Shall \_\_\_\_\_ (insert the name of the city) impose a sales tax at a  
 22 rate of \_\_\_\_\_ (insert rate of percent) percent for [a] capital  
 23 improvements purposes in the city's center city for a period of  
 24 \_\_\_\_\_ (insert number of years, not to exceed three) years?

25  YES  NO

26 If a majority of the votes cast on the question by the qualified voters voting  
 27 thereon are in favor of the question, then the tax shall become effective [on the  
 28 first day of the second calendar quarter after the director of revenue receives  
 29 notice of the adoption of the sales tax] **as provided by subsection 19 of**

30 **section 32.087.** If a majority of the votes cast on the question by the qualified  
31 voters voting thereon are opposed to the question, then the tax shall not become  
32 effective unless and until the question is resubmitted under this section to the  
33 qualified voters and such question is approved by a majority of the qualified  
34 voters voting on the question. In no case shall a tax be resubmitted to the  
35 qualified voters of the city sooner than twelve months from the date of the  
36 proposal under this section.

37 3. Any sales tax imposed under this section shall be administered,  
38 collected, enforced, and operated as required in [section] **sections 32.085 to**  
39 **32.087.** All revenue generated by the tax shall be deposited in a special trust  
40 fund and shall be used solely for the designated purposes. If the tax is repealed,  
41 all funds remaining in the special trust fund shall continue to be used solely for  
42 the designated purposes. Any funds in the special trust fund which are not  
43 needed for current expenditures shall be invested in the same manner as other  
44 funds are invested. Any interest and moneys earned on such investments shall  
45 be credited to the fund.

46 4. The director of revenue may authorize the state treasurer to make  
47 refunds from the amounts in the trust fund and credited to any city for erroneous  
48 payments and overpayments made, and may redeem dishonored checks and drafts  
49 deposited to the credit of such cities. If any city abolishes the tax, the city shall  
50 notify the director of revenue of the action [at least ninety days before] **prior to**  
51 the effective date of the repeal, and the director of revenue may order retention  
52 in the trust fund, for a period of one year, of two percent of the amount collected  
53 after receipt of such notice to cover possible refunds or overpayment of the tax  
54 and to redeem dishonored checks and drafts deposited to the credit of such  
55 accounts. After one year has elapsed after the effective date of abolition of the  
56 tax in such city, the director of revenue shall remit the balance in the account to  
57 the city and close the account of that city. The director of revenue shall notify  
58 each city of each instance of any amount refunded.

59 5. The governing body of any city that has adopted the sales tax  
60 authorized in this section may submit the question of repeal of the tax to the  
61 voters on any date available for elections for the city. The ballot of submission  
62 shall be in substantially the following form:

63 Shall \_\_\_\_\_ (insert the name of the city) repeal the sales tax  
64 imposed at a rate of \_\_\_\_\_ (insert rate of percent) percent for  
65 capital improvements purposes in the city's center city?

66  YES  NO

67 If a majority of the votes cast on the proposal are in favor of repeal, that repeal  
68 shall become effective [on December thirty-first of the calendar year in which  
69 such repeal was approved] **as provided by subsection 19 of section 32.087.**

70 If a majority of the votes cast on the question by the qualified voters voting  
71 thereon are opposed to the repeal, then the sales tax authorized in this section  
72 shall remain effective until the question is resubmitted under this section to the  
73 qualified voters, and the repeal is approved by a majority of the qualified voters  
74 voting on the question. **If the city or county abolishes the tax, the city or**  
75 **county shall notify the director of revenue of the action prior to the**  
76 **effective date of the repeal.**

77 6. Whenever the governing body of any city that has adopted the sales tax  
78 authorized in this section receives a petition, signed by ten percent of the  
79 registered voters of the city voting in the last gubernatorial election, calling for  
80 an election to repeal the sales tax imposed under this section, the governing body  
81 shall submit to the voters of the city a proposal to repeal the tax. If a majority  
82 of the votes cast on the question by the qualified voters voting thereon are in  
83 favor of the repeal, that repeal shall become effective [on December thirty-first  
84 of the calendar year in which such repeal was approved] **as provided by**  
85 **subsection 19 of section 32.087.** If a majority of the votes cast on the question  
86 by the qualified voters voting thereon are opposed to the repeal, then the tax  
87 shall remain effective until the question is resubmitted under this section to the  
88 qualified voters and the repeal is approved by a majority of the qualified voters  
89 voting on the question.

90 **7. Except as provided in this section, all provisions of sections**  
91 **32.085 to 32.087 apply to the sales tax imposed under this section.**

94.605. 1. Any city as defined in section 94.600 may by a majority vote  
2 of its governing body impose a sales tax for transportation purposes enumerated  
3 in sections 94.600 to 94.655.

4 2. The sales tax may be imposed at a rate not to exceed one-half of one  
5 percent on [the receipts from the sale at] **all** retail [of all tangible personal  
6 property or taxable services at retail] **sales** within any city adopting such tax, if  
7 such property and services are subject to taxation by the state of Missouri under  
8 [the provisions of sections 144.010 to 144.525] **chapter 144.**

9 3. With respect to any tax increment financing plan originally approved  
10 by ordinance of the city council after March 31, 2009, in any home rule city with

11 more than four hundred thousand inhabitants and located in more than one  
12 county, any three-eighths of one cent sales tax imposed under sections 94.600 to  
13 94.655 shall not be considered economic activity taxes as such term is defined  
14 under sections 99.805 and 99.918, and tax revenues derived from such taxes shall  
15 not be subject to allocation under the provisions of subsection 3 of section 99.845  
16 or subsection 4 of section 99.957. Any one-eighth of one cent sales tax imposed  
17 in such city under sections 94.600 to 94.655 for constructing and operating a  
18 light-rail transit system shall not be considered economic activity taxes as such  
19 term is defined under sections 99.805 and 99.918, and tax revenues derived from  
20 such tax shall not be subject to allocation under the provisions of subsection 3 of  
21 section 99.845 or subsection 4 of section 99.957.

22 4. [If the boundaries of a city in which such sales tax has been imposed  
23 shall thereafter be changed or altered, the city or county clerk shall forward to  
24 the director of revenue by United States registered mail or certified mail a  
25 certified copy of the ordinance adding or detaching territory from the city. The  
26 ordinance shall reflect the effective date thereof, and shall be accompanied by a  
27 map of the city clearly showing the territory added thereto or detached  
28 therefrom. Upon receipt of the ordinance and map, the tax imposed by sections  
29 94.600 to 94.655 shall be effective in the added territory or abolished in the  
30 detached territory on the effective date of the change of the city boundary]  
31 **Except as modified by this section, all provisions of sections 32.085 to**  
32 **32.087 shall apply to the tax imposed under this section.**

94.660. 1. The governing body of any city not within a county and any  
2 county of the first classification having a charter form of government with a  
3 population of over nine hundred thousand inhabitants may propose, by ordinance  
4 or order, a transportation sales tax of up to one percent for submission to the  
5 voters of that city or county at an authorized election date selected by the  
6 governing body.

7 2. Any sales tax approved under this section shall be imposed on [the  
8 receipts from the sale at] **all** retail [of all tangible personal property or taxable  
9 services] **sales** within the city or county adopting the tax, if such property and  
10 services are subject to taxation by the state of Missouri under [sections 144.010  
11 to 144.525] **chapter 144.**

12 3. The ballot of submission shall contain, but need not be limited to, the  
13 following language:

14 Shall the county/city of \_\_\_\_\_ (county's or city's name) impose a

15 county/city-wide sales tax of \_\_\_\_\_ percent for the purpose of  
16 providing a source of funds for public transportation purposes?

17  YES  NO

18 Except as provided in subsection 4 of this section, if a majority of the votes cast  
19 in that county or city not within a county on the proposal by the qualified voters  
20 voting thereon are in favor of the proposal, then the tax shall go into effect [on  
21 the first day of the next calendar quarter beginning after its adoption and notice  
22 to the director of revenue, but no sooner than thirty days after such adoption and  
23 notice] **as provided by subsection 19 of section 32.087**. If a majority of the  
24 votes cast in that county or city not within a county by the qualified voters voting  
25 are opposed to the proposal, then the additional sales tax shall not be imposed in  
26 that county or city not within a county unless and until the governing body of  
27 that county or city not within a county shall have submitted another proposal to  
28 authorize the local option transportation sales tax authorized in this section, and  
29 such proposal is approved by a majority of the qualified voters voting on it. In  
30 no event shall a proposal pursuant to this section be submitted to the voters  
31 sooner than twelve months from the date of the last proposal.

32 4. No tax shall go into effect under this section in any city not within a  
33 county or any county of the first classification having a charter form of  
34 government with a population over nine hundred thousand inhabitants unless  
35 and until both such city and such county approve the tax.

36 5. The provisions of subsection 4 of this section requiring both the city  
37 and county to approve a transportation sales tax before a transportation sales tax  
38 may go into effect in either jurisdiction shall not apply to any transportation sales  
39 tax submitted to and approved by the voters in such city or such county on or  
40 after August 28, 2007.

41 6. All sales taxes collected by the director of revenue under this section  
42 on behalf of any city or county[, less one percent for cost of collection which shall  
43 be deposited in the state's general revenue fund after payment of premiums for  
44 surety bonds,] shall be deposited with the state treasurer in a special trust fund,  
45 which is hereby created, to be known as the "County Public Transit Sales Tax  
46 Trust Fund". [The sales taxes shall be collected as provided in section  
47 32.087. The moneys in the trust fund shall not be deemed to be state funds and  
48 shall not be commingled with any funds of the state.] The director of revenue  
49 shall keep accurate records of the amount of money in the trust fund which was  
50 collected in each city or county approving a sales tax under this section, and the

51 records shall be open to inspection by officers of the city or county and the  
52 public. Not later than the tenth day of each month the director of revenue shall  
53 distribute all moneys deposited in the trust fund during the preceding month to  
54 the city or county which levied the tax, and such funds shall be deposited with  
55 the treasurer of each such city or county and all expenditures of funds arising  
56 from the county public transit sales tax trust fund shall be by an appropriation  
57 act to be enacted by the governing body of each such county or city not within a  
58 county.

59 7. The revenues derived from any transportation sales tax under this  
60 section shall be used only for the planning, development, acquisition,  
61 construction, maintenance and operation of public transit facilities and systems  
62 other than highways.

63 8. The director of revenue may authorize the state treasurer to make  
64 refunds from the amount in the trust fund and credited to any city or county for  
65 erroneous payments and overpayments made, and may redeem dishonored checks  
66 and drafts deposited to the credit of such cities or counties. If any city or county  
67 abolishes the tax, the city or county shall notify the director of revenue of the  
68 action [at least ninety days prior to the effective date of the repeal] and the  
69 director of revenue may order retention in the trust fund, for a period of one year,  
70 of two percent of the amount collected after receipt of such notice to cover possible  
71 refunds or overpayment of the tax and to redeem dishonored checks and drafts  
72 deposited to the credit of such accounts. After one year has elapsed after the  
73 effective date of abolition of the tax in such city or county, the director of revenue  
74 shall authorize the state treasurer to remit the balance in the account to the city  
75 or county and close the account of that city or county. The director of revenue  
76 shall notify each city or county of each instance of any amount refunded or any  
77 check redeemed from receipts due the city or county.

78 **9. Except as modified by this section, all provisions of sections**  
79 **32.085 to 32.087 shall apply to the tax imposed under this section.**

94.705. 1. Any city may by a majority vote of its governing body impose  
2 a sales tax **on all retail sales made in the city which are subject to sales**  
3 **tax under chapter 144** for transportation purposes enumerated in sections  
4 94.700 to 94.755, and issue bonds for transportation purposes which shall be  
5 retired by the revenues received from the sales tax authorized by this  
6 section. The tax authorized by this section shall be in addition to any and all  
7 other sales taxes allowed by law. No ordinance imposing a sales tax pursuant to

8 the provisions of this section shall become effective unless the council or other  
9 governing body submits to the voters of the city, at a city or state general,  
10 primary, or special election, a proposal to authorize the council or other governing  
11 body of the city to impose such a sales tax and, if such tax is to be used to retire  
12 bonds authorized pursuant to this section, to authorize such bonds and their  
13 retirement by such tax; except that no vote shall be required in any city that  
14 imposed and collected such tax under sections 94.600 to 94.655, before January  
15 5, 1984. The ballot of the submission shall contain, but is not limited to, the  
16 following language:

17 (1) If the proposal submitted involves only authorization to impose the tax  
18 authorized by this section, the following language:

19 Shall the city of \_\_\_\_\_ (city's name) impose a sales tax of \_\_\_\_\_  
20 (insert amount) for transportation purposes?

21  YES  NO

22 If you are in favor of the question, place an "X" in the box opposite  
23 "YES". If you are opposed to the question, place an "X" in the box  
24 opposite "NO";

25 (2) If the proposal submitted involves authorization to issue bonds and  
26 repay such bonds with revenues from the tax authorized by this section, the  
27 following language:

28 Shall the city of \_\_\_\_\_ (city's name) issue bonds in the amount of  
29 \_\_\_\_\_ (insert amount) for transportation purposes and impose a  
30 sales tax of \_\_\_\_\_ (insert amount) to repay such bonds?

31  YES  NO

32 If you are in favor of the question, place an "X" in the box opposite  
33 "YES". If you are opposed to the question, place an "X" in the box  
34 opposite "NO".

35 If a majority of the votes cast on the proposal, provided in subdivision (1) of this  
36 subsection, by the qualified voters voting thereon are in favor of the proposal,  
37 then the ordinance and any amendments thereto shall be in effect **as provided**  
38 **by subsection 19 of section 32.087**. If the four-sevenths majority of the votes,  
39 as required by the Missouri Constitution, Article VI, Section 26, cast on the  
40 proposal, provided in subdivision (2) of this subsection to issue bonds and impose  
41 a sales tax to retire such bonds, by the qualified voters voting thereon are in  
42 favor of the proposal, then the ordinance and any amendments thereto shall be  
43 in effect **as provided by subsection 19 of section 32.087**. If a majority of the

44 votes cast on the proposal, as provided in subdivision (1) of this subsection, by the  
45 qualified voters voting thereon are opposed to the proposal, then the council or  
46 other governing body of the city shall have no power to impose the tax authorized  
47 in subdivision (1) of this subsection unless and until the council or other  
48 governing body of the city submits another proposal to authorize the council or  
49 other governing body of the city to impose the tax and such proposal is approved  
50 by a majority of the qualified voters voting thereon. If more than three-sevenths  
51 of the votes cast by the qualified voters voting thereon are opposed to the  
52 proposal, as provided in subdivision (2) of this subsection to issue bonds and  
53 impose a sales tax to retire such bonds, then the council or other governing body  
54 of the city shall have no power to issue any bonds or to impose the tax authorized  
55 in subdivision (2) of this subsection unless and until the council or other  
56 governing body of the city submits another proposal to authorize the council or  
57 other governing body of the city to issue such bonds or impose the tax to retire  
58 such bonds and such proposal is approved by four-sevenths of the qualified voters  
59 voting thereon.

60         2. No incorporated municipality located wholly or partially within any  
61 first class county operating under a charter form of government and having a  
62 population of over nine hundred thousand inhabitants shall impose such a sales  
63 tax for that part of the city, town or village that is located within such first class  
64 county, in the event such a first class county imposes a sales tax under the  
65 provisions of sections 94.600 to 94.655.

66         3. The sales tax may be imposed at a rate not to exceed one-half of one  
67 percent on the receipts from the sale at retail of all tangible personal property or  
68 taxable services at retail within any city adopting such tax, if such property and  
69 services are subject to taxation by the state of Missouri under the provisions of  
70 [sections 144.010 to 144.525] **chapter 144.**

71         4. [If the boundaries of a city in which such sales tax has been imposed  
72 shall thereafter be changed or altered, the city clerk shall forward to the director  
73 of revenue by United States registered mail or certified mail a certified copy of  
74 the ordinance adding or detaching territory from the city. The ordinance shall  
75 reflect the effective date thereof, and shall be accompanied by a map of the city  
76 clearly showing the territory added thereto or detached therefrom. Upon receipt  
77 of the ordinance and map, the tax imposed by sections 94.700 to 94.755 shall be  
78 effective in the added territory or abolished in the detached territory on the  
79 effective date of the change of the city boundary.

80           5.] No tax imposed pursuant to this section for the purpose of retiring  
81 bonds issued pursuant to this section may be terminated until all of such bonds  
82 have been retired.

83           **5. Except as modified by this section, all provisions of sections**  
84 **32.085 to 32.087 shall apply to the tax imposed under this section.**

          142.803. 1. A tax is levied and imposed on all motor fuel used or  
2 consumed in this state as follows:

3           (1) (a) Motor fuel, seventeen cents per gallon **until June 30, 2019. For**  
4 **the fiscal year beginning on or after July 1, 2019, and ending on or**  
5 **before June 30, 2020, such tax shall be eighteen cents per gallon. For**  
6 **the fiscal year beginning on or after July 1, 2020, and ending on or**  
7 **before June 30, 2021, such tax shall be twenty cents per gallon. For all**  
8 **fiscal years beginning on or after July 1, 2021, such tax shall be twenty-**  
9 **three cents per gallon;**

10           (b) Beginning on January first of the year in which an income  
11 tax rate reduction occurs under subsection 3 of section 143.011, there  
12 shall be added to the rate of tax under paragraph (a) of this subdivision  
13 four cents per gallon, provided that the rate of tax under this  
14 subdivision shall not exceed twenty-five cents per gallon prior to any  
15 adjustments under paragraph (c) of this subdivision;

16           (c) Beginning on the first day of the fiscal year following the  
17 fiscal year in which all adjustments under paragraphs (a) and (b) of  
18 this subdivision are made, and ending on or before June 30, 2025, the  
19 rate of tax under this subdivision shall annually be adjusted by the  
20 percent increase in the Consumer Price Index for All Urban Consumers  
21 for the United States, or its successor index, as defined and officially  
22 recorded by the United States Department of Labor or its successor  
23 agency, provided that such adjustment shall not exceed three and one-  
24 half percent in any given fiscal year. For all fiscal years beginning on  
25 or after July 1, 2025, the rate of tax under this subdivision shall be the  
26 sum of the rate under paragraph (a) of this subdivision as adjusted  
27 under paragraph (b) of this subdivision, if applicable, plus all  
28 adjustments made under this paragraph;

29           (2) Alternative fuels, not subject to the decal fees as provided in section  
30 142.869, with a power potential equivalent of motor fuel. In the event alternative  
31 fuel, which is not commonly sold or measured by the gallon, is used in motor  
32 vehicles on the highways of this state, the director is authorized to assess and

33 collect a tax upon such alternative fuel measured by the nearest power potential  
34 equivalent to that of one gallon of regular grade gasoline. The determination by  
35 the director of the power potential equivalent of such alternative fuel shall be  
36 prima facie correct;

37 (3) Aviation fuel used in propelling aircraft with reciprocating engines,  
38 nine cents per gallon as levied and imposed by section 155.080 to be collected as  
39 required under this chapter;

40 (4) Compressed natural gas fuel, five cents per gasoline gallon equivalent  
41 until December 31, 2019, eleven cents per gasoline gallon equivalent from  
42 January 1, 2020, until December 31, 2024, [and then] seventeen cents per  
43 gasoline gallon equivalent **from January 1, 2025, until December 31, 2025,**  
44 **and then twenty-three cents per gasoline gallon equivalent**  
45 thereafter. The gasoline gallon equivalent and method of sale for compressed  
46 natural gas shall be as published by the National Institute of Standards and  
47 Technology in Handbooks 44 and 130, and supplements thereto or revisions  
48 thereof. In the absence of such standard or agreement, the gasoline gallon  
49 equivalent and method of sale for compressed natural gas shall be equal to five  
50 and sixty-six-hundredths pounds of compressed natural gas. All applicable  
51 provisions contained in this chapter governing administration, collections, and  
52 enforcement of the state motor fuel tax shall apply to the tax imposed on  
53 compressed natural gas, including but not limited to licensing, reporting,  
54 penalties, and interest;

55 (5) Liquefied natural gas fuel, five cents per diesel gallon equivalent until  
56 December 31, 2019, eleven cents per diesel gallon equivalent from January 1,  
57 2020, until December 31, 2024, [and then] seventeen cents per diesel gallon  
58 equivalent **from January 1, 2025, until December 31, 2025, and then**  
59 **twenty-three cents per diesel gallon equivalent** thereafter. The diesel  
60 gallon equivalent and method of sale for liquefied natural gas shall be as  
61 published by the National Institute of Standards and Technology in Handbooks  
62 44 and 130, and supplements thereto or revisions thereof. In the absence of such  
63 standard or agreement, the diesel gallon equivalent and method of sale for  
64 liquefied natural gas shall be equal to six and six-hundredths pounds of liquefied  
65 natural gas. All applicable provisions contained in this chapter governing  
66 administration, collections, and enforcement of the state motor fuel tax shall  
67 apply to the tax imposed on liquefied natural gas, including but not limited to  
68 licensing, reporting, penalties, and interest;

69 (6) Propane gas fuel, five cents per gallon until December 31, 2019, eleven  
70 cents per gallon from January 1, 2020, until December 31, 2024, [and then]  
71 seventeen cents per gallon **from January 1, 2025, until December 31, 2025,**  
72 **and then twenty-three cents per gallon** thereafter. All applicable provisions  
73 contained in this chapter governing administration, collection, and enforcement  
74 of the state motor fuel tax shall apply to the tax imposed on propane gas  
75 including, but not limited to, licensing, reporting, penalties, and interest;

76 (7) If a natural gas, compressed natural gas, liquefied natural gas,  
77 electric, or propane connection is used for fueling motor vehicles and for another  
78 use, such as heating, the tax imposed by this section shall apply to the entire  
79 amount of natural gas, compressed natural gas, liquefied natural gas, electricity,  
80 or propane used unless an approved separate metering and accounting system is  
81 in place.

82 **2. Notwithstanding any provision of law to the contrary,**  
83 **beginning on January 1, 2026, all motor fuels and alternative motor**  
84 **fuels, including, but not limited to, gasoline, diesel fuel, electricity,**  
85 **hydrogen, propane, compressed natural gas, and liquified natural gas,**  
86 **shall be taxed equally and at the same rate. The department of**  
87 **agriculture, in cooperation with the department of revenue, shall where**  
88 **necessary promulgate a rule on or before December 31, 2023, to**  
89 **implement the provisions of this subsection. Any rule or portion of a**  
90 **rule, as that term is defined in section 536.010 that is created under the**  
91 **authority delegated in this section shall become effective only if it**  
92 **complies with and is subject to all of the provisions of chapter 536, and,**  
93 **if applicable, section 536.028. This section and chapter 536 are**  
94 **nonseverable and if any of the powers vested with the general assembly**  
95 **pursuant to chapter 536, to review, to delay the effective date, or to**  
96 **disapprove and annul a rule are subsequently held unconstitutional,**  
97 **then the grant of rulemaking authority and any rule proposed or**  
98 **adopted after August 28, 2018, shall be invalid and void.**

99 **3.** All taxes, surcharges and fees are imposed upon the ultimate consumer,  
100 but are to be precollected as described in this chapter, for the facility and  
101 convenience of the consumer. The levy and assessment on other persons as  
102 specified in this chapter shall be as agents of this state for the precollection of the  
103 tax.

143.011. 1. A tax is hereby imposed for every taxable year on the

2 Missouri taxable income of every resident. The tax shall be determined by  
 3 applying the tax table or the rate provided in section 143.021, which is based  
 4 upon the following rates:

| 5  | If the Missouri taxable income is: | The tax is:                            |
|----|------------------------------------|--|
| 6  | Not over \$1,000.00                | 1 ½% of the Missouri taxable income    |
| 7  | Over \$1,000 but not over \$2,000  | \$15 plus 2% of excess over \$1,000    |
| 8  | Over \$2,000 but not over \$3,000  | \$35 plus 2 ½% of excess over \$2,000  |
| 9  | Over \$3,000 but not over \$4,000  | \$60 plus 3% of excess over \$3,000    |
| 10 | Over \$4,000 but not over \$5,000  | \$90 plus 3 ½% of excess over \$4,000  |
| 11 | Over \$5,000 but not over \$6,000  | \$125 plus 4% of excess over \$5,000   |
| 12 | Over \$6,000 but not over \$7,000  | \$165 plus 4 ½% of excess over \$6,000 |
| 13 | Over \$7,000 but not over \$8,000  | \$210 plus 5% of excess over \$7,000   |
| 14 | Over \$8,000 but not over \$9,000  | \$260 plus 5 ½% of excess over \$8,000 |
| 15 | Over \$9,000                       | \$315 plus 6% of excess over \$9,000   |

16 2. (1) Beginning with the [2017] **2019** calendar year, the top rate of tax  
 17 under subsection 1 of this section [may] **shall be [reduced over a period of years]**  
 18 **eliminated, and the top remaining tax rate shall be reduced to five and**  
 19 **one-quarter percent for all Missouri taxable income over eight**  
 20 **thousand dollars, as adjusted under subsection 3 of this section.**

21 **(2) Beginning with the 2020 calendar year, the top rate of tax**  
 22 **under subsection 1 of this section may be reduced over a period of**  
 23 **years, provided that no more than four such reductions shall be made**  
 24 **under this subdivision.** Each reduction in the top rate of tax shall be by  
 25 one-tenth of a percent and no more than one reduction shall occur in a calendar  
 26 year. [The top rate of tax shall not be reduced below five and one-half percent.]  
 27 Reductions in the rate of tax shall take effect on January first of a calendar year  
 28 and such reduced rates shall continue in effect until the next reduction occurs.

29 [(2)] **(3)** A reduction in the rate of tax shall only occur if the amount of  
 30 net general revenue collected in the previous fiscal year exceeds the highest  
 31 amount of net general revenue collected in any of the three fiscal years prior to  
 32 such fiscal year by at least one hundred fifty million dollars.

33 [(3)] **(4)** Any modification of tax rates under this subsection shall only  
 34 apply to tax years that begin on or after a modification takes effect.

35 [(4)] **(5)** The director of the department of revenue shall, by rule, adjust  
 36 the tax tables under subsection 1 of this section to effectuate the provisions of  
 37 this subsection. [The bracket for income subject to the top rate of tax shall be

38 eliminated once the top rate of tax has been reduced to five and one-half of a  
39 percent] **An income bracket shall be eliminated once the top rate of tax**  
40 **is reduced below the rate that is applicable to such income**  
41 **bracket. The top remaining rate of tax shall apply to all income in**  
42 **excess of the income in the second highest remaining income bracket.**

43 **3. (1) In addition to the rate reductions under subsection 2 of**  
44 **this section, beginning with the 2019 calendar year, the top rate of tax**  
45 **under subsection 1 of this section may be reduced by three-tenths of**  
46 **one percent. Such reduction in the rate of tax shall take effect on**  
47 **January first of a calendar year.**

48 **(2) The reduction in the top rate of tax under this subsection**  
49 **shall only occur if the Supreme Court of the United States renders a**  
50 **decision, a law is passed by the federal government, or the constitution**  
51 **of the United States is amended which enables the state of Missouri to**  
52 **require out-of-state sellers with no physical presence in the state to**  
53 **collect and remit state and local sales taxes and the director of the**  
54 **department of revenue notifies the general assembly that the**  
55 **department is prepared to enforce such collection of taxes, provided**  
56 **that the tax reduction under this subsection shall become effective if**  
57 **such notification has not been made within nine months of the issuance**  
58 **of a Supreme Court decision or the passage of a federal law or**  
59 **constitutional amendment under this subdivision.**

60 **(3) The modification of tax rates under this subsection shall only**  
61 **apply to tax years that begin on or after the date the modification takes**  
62 **effect.**

63 **(4) The director of the department of revenue shall, by rule,**  
64 **adjust the tax tables under subsection 1 of this section to effectuate the**  
65 **provisions of this subsection.**

66 **4. Beginning with the 2017 calendar year, the brackets of Missouri**  
67 **taxable income identified in subsection 1 of this section shall be adjusted**  
68 **annually by the percent increase in inflation. The director shall publish such**  
69 **brackets annually beginning on or after October 1, 2016. Modifications to the**  
70 **brackets shall take effect on January first of each calendar year and shall apply**  
71 **to tax years beginning on or after the effective date of the new brackets.**

72 **[4.] 5. As used in this section, the following terms mean:**

73 **(1) "CPI", the Consumer Price Index for All Urban Consumers for the**  
74 **United States as reported by the Bureau of Labor Statistics, or its successor**

75 index;

76 (2) "CPI for the preceding calendar year", the average of the CPI as of the  
77 close of the twelve month period ending on August thirty-first of such calendar  
78 year;

79 (3) **"Net general revenue collected", all revenue deposited into the**  
80 **general revenue fund, less refunds and revenues originally deposited**  
81 **into the general revenue fund but designated by law for a specific**  
82 **distribution or transfer to another state fund;**

83 (4) "Percent increase in inflation", the percentage, if any, by which the  
84 CPI for the preceding calendar year exceeds the CPI for the year beginning  
85 September 1, 2014, and ending August 31, 2015.

143.071. 1. For all tax years beginning before September 1, 1993, a tax  
2 is hereby imposed upon the Missouri taxable income of corporations in an amount  
3 equal to five percent of Missouri taxable income.

4 2. For all tax years beginning on or after September 1, 1993, a tax is  
5 hereby imposed upon the Missouri taxable income of corporations in an amount  
6 equal to six and one-fourth percent of Missouri taxable income.

7 3. **For all tax years beginning on or after January 1, 2019, a tax**  
8 **is hereby imposed upon the Missouri taxable income of corporations in**  
9 **an amount equal to five and one-fourth percent of Missouri taxable**  
10 **income.**

11 4. The provisions of this section shall not apply to out-of-state businesses  
12 operating under sections 190.270 to 190.285.

143.151. For all taxable years beginning before January 1, 1999, a  
2 resident shall be allowed a deduction of one thousand two hundred dollars for  
3 himself or herself and one thousand two hundred dollars for his or her spouse if  
4 he or she is entitled to a deduction for such personal exemptions for federal  
5 income tax purposes. For all taxable years beginning on or after January 1, 1999,  
6 a resident shall be allowed a deduction of two thousand one hundred dollars for  
7 himself or herself and two thousand one hundred dollars for his or her spouse if  
8 he or she is entitled to a deduction for such personal exemptions for federal  
9 income tax purposes, **provided that the exemption amount as defined**  
10 **under 26 U.S.C. 151 is not zero.** For all tax years beginning on or after  
11 January 1, 2017, a resident with a Missouri adjusted gross income of less than  
12 twenty thousand dollars shall be allowed an additional deduction of five hundred  
13 dollars for himself or herself and an additional five hundred dollars for his or her

14 spouse if he or she is entitled to a deduction for such personal exemptions for  
15 federal income tax purposes, **provided that the exemption amount as**  
16 **defined under 26 U.S.C. 151 is not zero**, and his or her spouse's Missouri  
17 adjusted gross income is less than twenty thousand dollars.

143.161. 1. For all taxable years beginning after December 31, 1997, a  
2 resident may deduct one thousand two hundred dollars for each dependent for  
3 whom such resident is entitled to a dependency exemption deduction for federal  
4 income tax purposes, **provided that the exemption amount as defined**  
5 **under 26 U.S.C. 151 is not zero**. In the case of a dependent who has attained  
6 sixty-five years of age on or before the last day of the taxable year, if such  
7 dependent resides in the taxpayer's home or the dependent's own home or if such  
8 dependent does not receive Medicaid or state funding while residing in a facility  
9 licensed pursuant to chapter 198, the taxpayer may deduct an additional one  
10 thousand dollars.

11 2. For all taxable years beginning on or after January 1, 1999, a resident  
12 who qualifies as an unmarried head of household or as a surviving spouse for  
13 federal income tax purposes may deduct an additional one thousand four hundred  
14 dollars.

15 3. For all taxable years beginning on or after January 1, 2015, for each  
16 birth for which a certificate of birth resulting in stillbirth has been issued under  
17 section 193.165, a taxpayer may claim the exemption under subsection 1 of this  
18 section only in the taxable year in which the stillbirth occurred, if the child  
19 otherwise would have been a member of the taxpayer's household.

143.171. 1. For all tax years beginning on or after January 1, 1994, an  
2 individual taxpayer shall be allowed a deduction for his **or her** federal income  
3 tax liability under Chapter 1 of the Internal Revenue Code for the same taxable  
4 year for which the Missouri return is being filed, not to exceed five thousand  
5 dollars on a single taxpayer's return or ten thousand dollars on a combined  
6 return, after reduction for all credits thereon, except the credit for payments of  
7 federal estimated tax, the credit for the overpayment of any federal tax, and the  
8 credits allowed by the Internal Revenue Code by **26 U.S.C. Section 31** [(tax  
9 withheld on wages)], **26 U.S.C. Section 27** [(tax of foreign country and United  
10 States possessions)], and **26 U.S.C. Section 34** [(tax on certain uses of gasoline,  
11 special fuels, and lubricating oils)].

12 2. **Notwithstanding any other provision of law to the contrary,**  
13 **for all tax years beginning on or after January 1, 2019, an individual**

14 taxpayer shall be allowed a deduction equal to a percentage of his or  
 15 her federal income tax liability under Chapter 1 of the Internal  
 16 Revenue Code for the same taxable year for which the Missouri return  
 17 is being filed, not to exceed five thousand dollars on a single taxpayer's  
 18 return or ten thousand dollars on a combined return, after reduction  
 19 for all credits thereon, except the credit for payments of federal  
 20 estimated tax, the credit for the overpayment of any federal tax, and  
 21 the credits allowed by the Internal Revenue Code by 26 U.S.C. Section  
 22 31, 26 U.S.C. Section 27, and 26 U.S.C. Section 34. The deduction  
 23 percentage is determined according to the following table:

| 24 | <b>If the Missouri adjusted gross</b> | <b>The deduction</b>  |
|----|---------------------------------------|-----------------------|
| 25 | <b>income on the return is:</b>       | <b>percentage is:</b> |
| 26 | <b>\$25,000 or less</b>               | <b>100 percent</b>    |
| 27 | <b>From \$25,001 to \$50,000</b>      | <b>75 percent</b>     |
| 28 | <b>From \$50,001 to \$100,000</b>     | <b>30 percent</b>     |
| 29 | <b>From \$100,001 to \$150,000</b>    | <b>10 percent</b>     |
| 30 | <b>\$150,001 or more</b>              | <b>0 percent</b>      |

31 **3.** For all tax years beginning on or after September 1, 1993, a corporate  
 32 taxpayer shall be allowed a deduction for fifty percent of its federal income tax  
 33 liability under Chapter 1 of the Internal Revenue Code for the same taxable year  
 34 for which the Missouri return is being filed after reduction for all credits thereon,  
 35 except the credit for payments of federal estimated tax, the credit for the  
 36 overpayment of any federal tax, and the credits allowed by the Internal Revenue  
 37 Code by 26 U.S.C. Section 31 [(tax withheld on wages)], 26 U.S.C. Section 27  
 38 [(tax of foreign country and United States possessions)], and 26 U.S.C. Section  
 39 34 [(tax on certain uses of gasoline, special fuels and lubricating oils)].

40 [3. If a federal income tax liability for a tax year prior to the applicability  
 41 of sections 143.011 to 143.996 for which he was not previously entitled to a  
 42 Missouri deduction is later paid or accrued, he may deduct the federal tax in the  
 43 later year to the extent it would have been deductible if paid or accrued in the  
 44 prior year.]

45 **4. Notwithstanding any other provision of law to the contrary,**  
 46 **for all tax years beginning on or after January 1, 2019, no deduction for**  
 47 **any federal income tax liability under Chapter 1 of the Internal**  
 48 **Revenue Code shall be allowed to any corporate taxpayer.**

143.177. 1. This section shall be known and may be cited as the

2 **"Missouri Working Family Tax Credit Act."**

3 **2. For purposes of this section, the following terms mean:**

4 **(1) "Department", the department of revenue;**

5 **(2) "Eligible taxpayer", a resident individual with a filing status**  
6 **of single, head of household, widowed, or married filing combined who**  
7 **is subject to the tax imposed under chapter 143, excluding withholding**  
8 **tax imposed under sections 143.191 to 143.265, and who is allowed a**  
9 **federal earned income tax credit under Section 32 of the Internal**  
10 **Revenue Code of 1986, as amended;**

11 **(3) "Tax credit", a credit against the tax otherwise due under**  
12 **chapter 143, excluding withholding tax imposed under sections 143.191**  
13 **to 143.265.**

14 **3. (1) For all tax years beginning on or after January 1, 2019, an**  
15 **eligible taxpayer shall be allowed a tax credit in the amount provided**  
16 **in subdivision (2) of this subsection. The tax credit allowed by this**  
17 **section shall be claimed by such taxpayer at the time such taxpayer**  
18 **files a return and shall be applied against the income tax liability**  
19 **imposed by chapter 143 after reduction for all other credits allowed**  
20 **thereon. If the amount of the credit exceeds the tax liability, the**  
21 **difference shall not be refunded to the taxpayer and shall not be**  
22 **carried forward to any subsequent tax year.**

23 **(2) (a) For the tax year beginning on or after January 1, 2019,**  
24 **the tax credit provided under this section shall be equal to ten percent**  
25 **of the amount such taxpayer would receive under the federal earned**  
26 **income tax credit;**

27 **(b) For all tax years beginning on or after January 1, 2020, the**  
28 **tax credit provided under this section shall be equal to twenty percent**  
29 **of the amount such taxpayer would receive under the federal earned**  
30 **income tax credit.**

31 **4. Notwithstanding the provisions of section 32.057 to the**  
32 **contrary, the department shall determine whether any taxpayer filing**  
33 **a report or return with the department who did not apply for the credit**  
34 **authorized under this section may qualify for the credit and, if so**  
35 **determines a taxpayer may qualify for the credit, shall notify such**  
36 **taxpayer of his or her potential eligibility. In making a determination**  
37 **of eligibility under this section, the department shall use any**  
38 **appropriate and available data including, but not limited to, data**

39 available from the Internal Revenue Service, the U.S. Department of  
40 Treasury, and state income tax returns from previous tax years.

41       **5. The department shall prepare an annual report containing**  
42 **statistical information regarding the tax credits issued under this**  
43 **section for the previous tax year, including the total amount of revenue**  
44 **expended, the number of credits claimed, and the average value of the**  
45 **credits issued to taxpayers whose earned income falls within various**  
46 **income ranges determined by the department.**

47       **6. The director of the department may promulgate rules and**  
48 **regulations to administer the provisions of this section. Any rule or**  
49 **portion of a rule, as that term is defined in section 536.010, that is**  
50 **created under the authority delegated in this section shall become**  
51 **effective only if it complies with and is subject to all of the provisions**  
52 **of chapter 536 and, if applicable, section 536.028. This section and**  
53 **chapter 536 are nonseverable, and if any of the powers vested with the**  
54 **general assembly pursuant to chapter 536 to review, to delay the**  
55 **effective date, or to disapprove and annul a rule are subsequently held**  
56 **unconstitutional, then the grant of rulemaking authority and any rule**  
57 **proposed or adopted after August 28, 2018, shall be invalid and void.**

58       **7. Tax credits authorized under this section are not subject to**  
59 **the requirements of sections 135.800 to 135.830.**

60       **8. Under section 23.253 of the Missouri sunset act:**

61       **(1) The program authorized under this section shall**  
62 **automatically sunset on December thirty-first six years after the**  
63 **effective date of this section unless reauthorized by an act of the**  
64 **general assembly;**

65       **(2) If such program is reauthorized, the program authorized**  
66 **under this section shall automatically sunset on December thirty-first**  
67 **twelve years after the effective date of the reauthorization of this**  
68 **section; and**

69       **(3) This section shall terminate on September first of the**  
70 **calendar year immediately following the calendar year in which the**  
71 **program authorized under this section is sunset.**

143.183. 1. As used in this section, the following terms mean:

2       (1) "Nonresident entertainer", a person residing or registered as a  
3 corporation outside this state who, for compensation, performs any vocal,

4 instrumental, musical, comedy, dramatic, dance or other performance in this state  
5 before a live audience and any other person traveling with and performing  
6 services on behalf of a nonresident entertainer, including a nonresident  
7 entertainer who is paid compensation for providing entertainment as an  
8 independent contractor, a partnership that is paid compensation for  
9 entertainment provided by nonresident entertainers, a corporation that is paid  
10 compensation for entertainment provided by nonresident entertainers, or any  
11 other entity that is paid compensation for entertainment provided by nonresident  
12 entertainers;

13 (2) "Nonresident member of a professional athletic team", a professional  
14 athletic team member who resides outside this state, including any active player,  
15 any player on the disabled list if such player is in uniform on the day of the game  
16 at the site of the game, and any other person traveling with and performing  
17 services on behalf of a professional athletic team;

18 (3) "Personal service income" includes exhibition and regular season  
19 salaries and wages, guaranteed payments, strike benefits, deferred payments,  
20 severance pay, bonuses, and any other type of compensation paid to the  
21 nonresident entertainer or nonresident member of a professional athletic team,  
22 but does not include prizes, bonuses or incentive money received from competition  
23 in a livestock, equine or rodeo performance, exhibition or show;

24 (4) "Professional athletic team" includes, but is not limited to, any  
25 professional baseball, basketball, football, soccer and hockey team.

26 2. Any person, venue, or entity who pays compensation to a nonresident  
27 entertainer shall deduct and withhold from such compensation as a prepayment  
28 of tax an amount equal to two percent of the total compensation if the amount of  
29 compensation is in excess of three hundred dollars paid to the nonresident  
30 entertainer. For purposes of this section, the term "person, venue, or entity who  
31 pays compensation" shall not be construed to include any person, venue, or entity  
32 that is exempt from taxation under 26 U.S.C. Section 501(c)(3), as amended, and  
33 that pays an amount to the nonresident entertainer for the entertainer's  
34 appearance but receives no benefit from the entertainer's appearance other than  
35 the entertainer's performance.

36 3. Any person, venue, or entity required to deduct and withhold tax  
37 pursuant to subsection 2 of this section shall, for each calendar quarter, on or  
38 before the last day of the month following the close of such calendar quarter,  
39 remit the taxes withheld in such form or return as prescribed by the director of

40 revenue and pay over to the director of revenue or to a depository designated by  
41 the director of revenue the taxes so required to be deducted and withheld.

42 4. Any person, venue, or entity subject to this section shall be considered  
43 an employer for purposes of section 143.191, and shall be subject to all penalties,  
44 interest, and additions to tax provided in this chapter for failure to comply with  
45 this section.

46 5. Notwithstanding other provisions of this chapter to the contrary, the  
47 commissioner of administration, for all taxable years beginning on or after  
48 January 1, 1999, but none after December 31, [2020] **2030**, shall annually  
49 estimate the amount of state income tax revenues collected pursuant to this  
50 chapter which are received from nonresident members of professional athletic  
51 teams and nonresident entertainers. For fiscal year 2000, and for each  
52 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, sixty  
53 percent of the annual estimate of taxes generated from the nonresident  
54 entertainer and professional athletic team income tax shall be allocated annually  
55 to the Missouri arts council trust fund, and shall be transferred, subject to  
56 appropriations, from the general revenue fund to the Missouri arts council trust  
57 fund established in section 185.100 and any amount transferred shall be in  
58 addition to such agency's budget base for each fiscal year. The director shall by  
59 rule establish the method of determining the portion of personal service income  
60 of such persons that is allocable to Missouri.

61 6. Notwithstanding the provisions of sections 186.050 to 186.067 to the  
62 contrary, the commissioner of administration, for all taxable years beginning on  
63 or after January 1, 1999, but for none after December 31, [2020] **2030**, shall  
64 estimate annually the amount of state income tax revenues collected pursuant to  
65 this chapter which are received from nonresident members of professional athletic  
66 teams and nonresident entertainers. For fiscal year 2000, and for each  
67 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
68 of the annual estimate of taxes generated from the nonresident entertainer and  
69 professional athletic team income tax shall be allocated annually to the Missouri  
70 humanities council trust fund, and shall be transferred, subject to appropriations,  
71 from the general revenue fund to the Missouri humanities council trust fund  
72 established in section 186.055 and any amount transferred shall be in addition  
73 to such agency's budget base for each fiscal year.

74 7. Notwithstanding other provisions of section 182.812 to the contrary, the  
75 commissioner of administration, for all taxable years beginning on or after

76 January 1, 1999, but for none after December 31, [2020] **2030**, shall estimate  
77 annually the amount of state income tax revenues collected pursuant to this  
78 chapter which are received from nonresident members of professional athletic  
79 teams and nonresident entertainers. For fiscal year 2000, and for each  
80 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
81 of the annual estimate of taxes generated from the nonresident entertainer and  
82 professional athletic team income tax shall be allocated annually to the Missouri  
83 state library networking fund, and shall be transferred, subject to appropriations,  
84 from the general revenue fund to the secretary of state for distribution to public  
85 libraries for acquisition of library materials as established in section 182.812 and  
86 any amount transferred shall be in addition to such agency's budget base for each  
87 fiscal year.

88         8. Notwithstanding other provisions of section 185.200 to the contrary, the  
89 commissioner of administration, for all taxable years beginning on or after  
90 January 1, 1999, but for none after December 31, [2020] **2030**, shall estimate  
91 annually the amount of state income tax revenues collected pursuant to this  
92 chapter which are received from nonresident members of professional athletic  
93 teams and nonresident entertainers. For fiscal year 2000, and for each  
94 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
95 of the annual estimate of taxes generated from the nonresident entertainer and  
96 professional athletic team income tax shall be allocated annually to the Missouri  
97 public television broadcasting corporation special fund, and shall be transferred,  
98 subject to appropriations, from the general revenue fund to the Missouri public  
99 television broadcasting corporation special fund, and any amount transferred  
100 shall be in addition to such agency's budget base for each fiscal year; provided,  
101 however, that twenty-five percent of such allocation shall be used for grants to  
102 public radio stations which were qualified by the corporation for public  
103 broadcasting as of November 1, 1996. Such grants shall be distributed to each  
104 of such public radio stations in this state after receipt of the station's certification  
105 of operating and programming expenses for the prior fiscal year. Certification  
106 shall consist of the most recent fiscal year financial statement submitted by a  
107 station to the corporation for public broadcasting. The grants shall be divided  
108 into two categories, an annual basic service grant and an operating grant. The  
109 basic service grant shall be equal to thirty-five percent of the total amount and  
110 shall be divided equally among the public radio stations receiving grants. The  
111 remaining amount shall be distributed as an operating grant to the stations on

112 the basis of the proportion that the total operating expenses of the individual  
113 station in the prior fiscal year bears to the aggregate total of operating expenses  
114 for the same fiscal year for all Missouri public radio stations which are receiving  
115 grants.

116 9. Notwithstanding other provisions of section 253.402 to the contrary, the  
117 commissioner of administration, for all taxable years beginning on or after  
118 January 1, 1999, but for none after December 31, [2020] **2030**, shall estimate  
119 annually the amount of state income tax revenues collected pursuant to this  
120 chapter which are received from nonresident members of professional athletic  
121 teams and nonresident entertainers. For fiscal year 2000, and for each  
122 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
123 of the annual estimate of taxes generated from the nonresident entertainer and  
124 professional athletic team income tax shall be allocated annually to the Missouri  
125 department of natural resources Missouri historic preservation revolving fund,  
126 and shall be transferred, subject to appropriations, from the general revenue fund  
127 to the Missouri department of natural resources Missouri historic preservation  
128 revolving fund established in section 253.402 and any amount transferred shall  
129 be in addition to such agency's budget base for each fiscal year.

130 10. **For all fiscal years beginning on or after July 1, 2019, in**  
131 **addition to the amount withheld under subsection 2 of this section,**  
132 **there shall be an additional two percent of the compensation to**  
133 **nonresident entertainers and nonresident members of a professional**  
134 **athletic team deducted and withheld as a prepayment of tax, and shall**  
135 **be deposited directly into the Missouri senior services protection fund**  
136 **created under section 208.2050 and shall be allocated according to the**  
137 **provisions of such section.**

138 11. This section shall not be construed to apply to any person who makes  
139 a presentation for professional or technical education purposes or to apply to any  
140 presentation that is part of a seminar, conference, convention, school, or similar  
141 program format designed to provide professional or technical education.

143.431. 1. The Missouri taxable income of a corporation taxable under  
2 sections 143.011 to 143.996 shall be so much of its federal taxable income for the  
3 taxable year, with the modifications specified in subsections 2 to 4 of this section,  
4 as is derived from sources within Missouri as provided in section 143.451. The  
5 tax of a corporation shall be computed on its Missouri taxable income at the rates  
6 provided in section 143.071.

7           2. There shall be added to or subtracted from federal taxable income the  
8 modifications to adjusted gross income provided in section 143.121, with the  
9 exception of subdivision (5) of subsection 2 of section 143.121, and the applicable  
10 modifications to itemized deductions provided in section 143.141. There shall be  
11 subtracted the federal income tax deduction provided in section 143.171. There  
12 shall be subtracted, to the extent included in federal taxable income, corporate  
13 dividends from sources within Missouri.

14           3. (1) If an affiliated group of corporations files a consolidated income tax  
15 return for the taxable year for federal income tax purposes [and fifty percent or  
16 more of its income is derived from sources within this state as determined in  
17 accordance with section 143.451], then it may elect to file a Missouri consolidated  
18 income tax return. The federal consolidated taxable income of the electing  
19 affiliated group for the taxable year shall be its federal taxable income. **All**  
20 **transactions between affiliated members of the affiliated group shall be**  
21 **eliminated on the Missouri consolidated income tax return.**

22           (2) So long as a federal consolidated income tax return is filed, an election  
23 made by an affiliated group of corporations to file a Missouri consolidated income  
24 tax return may be withdrawn or revoked only upon substantial change in the law  
25 or regulations adversely changing tax liability under this chapter, or with  
26 permission of the director of revenue upon the showing of good cause for such  
27 action. After such a withdrawal or revocation with respect to an affiliated group,  
28 it may not file a Missouri consolidated income tax return for five years thereafter,  
29 except with the approval of the director of revenue, and subject to such terms and  
30 conditions as he may prescribe.

31           (3) No corporation which is part of an affiliated group of corporations  
32 filing a Missouri consolidated income tax return shall be required to file a  
33 separate Missouri corporate income tax return for the taxable year.

34           (4) For each taxable year an affiliated group of corporations filing a  
35 federal consolidated income tax return does not file a Missouri consolidated  
36 income tax return, for purposes of computing the Missouri income tax, the federal  
37 taxable income of each member of the affiliated group shall be determined as if  
38 a separate federal income tax return had been filed by each such member.

39           (5) The director of revenue may prescribe such regulations not  
40 inconsistent with the provisions of this chapter as he may deem necessary in  
41 order that the tax liability of any affiliated group of corporations making a  
42 Missouri consolidated income tax return, and of each corporation in the group,

43 before, during, and after the period of affiliation, may be returned, determined,  
44 computed, assessed, collected, and adjusted, in such manner as clearly to reflect  
45 the Missouri taxable income derived from sources within this state and in order  
46 to prevent avoidance of such tax liability.

47 4. If a net operating loss deduction is allowed for the taxable year, there  
48 shall be added to federal taxable income the amount of the net operating loss  
49 modification for each loss year as to which a portion of the net operating loss  
50 deduction is attributable. As used in this subsection, the following terms mean:

51 (1) "Loss year", the taxable year in which there occurs a federal net  
52 operating loss that is carried back or carried forward in whole or in part to  
53 another taxable year;

54 (2) "Net addition modification", for any taxable year, the amount by which  
55 the sum of all required additions to federal taxable income provided in this  
56 chapter, except for the net operating loss modification, exceeds the combined sum  
57 of the amount of all required subtractions from federal taxable income provided  
58 in this chapter;

59 (3) "Net operating loss deduction", a net operating loss deduction allowed  
60 for federal income tax purposes under Section 172 of the Internal Revenue Code  
61 of 1986, as amended, or a net operating loss deduction allowed for Missouri  
62 income tax purposes under paragraph (d) of subsection 2 of section 143.121, but  
63 not including any net operating loss deduction that is allowed for federal income  
64 tax purposes but disallowed for Missouri income tax purposes under paragraph  
65 (d) of subsection 2 of section 143.121;

66 (4) "Net operating loss modification", an amount equal to the lesser of the  
67 amount of the net operating loss deduction attributable to that loss year or the  
68 amount by which the total net operating loss in the loss year is less than the sum  
69 of:

70 (a) The net addition modification for that loss year; and

71 (b) The cumulative net operating loss deductions attributable to that loss  
72 year allowed for the taxable year and all prior taxable years.

73 5. For all tax years ending on or after July 1, 2002, federal taxable income  
74 may be a positive or negative amount. Subsection 4 of this section shall be  
75 effective for all tax years with a net operating loss deduction attributable to a loss  
76 year ending on or after July 1, 2002, and the net operating loss modification shall  
77 only apply to loss years ending on or after July 1, 2002.

143.451. 1. Missouri taxable income of a corporation shall include all

2 income derived from sources within this state.

3           2. **For all tax years beginning before January 1, 2019**, a corporation  
4 described in subdivision (1) of subsection 1 of section 143.441 shall include in its  
5 Missouri taxable income all income from sources within this state, including that  
6 from the transaction of business in this state and that from the transaction of  
7 business partly done in this state and partly done in another state or  
8 states. However:

9           (1) Where income results from a transaction partially in this state and  
10 partially in another state or states, and income and deductions of the portion in  
11 the state cannot be segregated, then such portions of income and deductions shall  
12 be allocated in this state and the other state or states as will distribute to this  
13 state a portion based upon the portion of the transaction in this state and the  
14 portion in such other state or states.

15           (2) The taxpayer may elect to compute the portion of income from all  
16 sources in this state in the following manner, or the manner set forth in  
17 subdivision (3) of this subsection:

18           (a) The income from all sources shall be determined as provided,  
19 excluding therefrom the figures for the operation of any bridge connecting this  
20 state with another state.

21           (b) The amount of sales which are transactions wholly in this state shall  
22 be added to one-half of the amount of sales which are transactions partly within  
23 this state and partly without this state, and the amount thus obtained shall be  
24 divided by the total sales or in cases where sales do not express the volume of  
25 business, the amount of business transacted wholly in this state shall be added  
26 to one-half of the amount of business transacted partly in this state and partly  
27 outside this state and the amount thus obtained shall be divided by the total  
28 amount of business transacted, and the net income shall be multiplied by the  
29 fraction thus obtained, to determine the proportion of income to be used to arrive  
30 at the amount of Missouri taxable income. The investment or reinvestment of its  
31 own funds, or sale of any such investment or reinvestment, shall not be  
32 considered as sales or other business transacted for the determination of said  
33 fraction.

34           (c) For the purposes of this subdivision, a transaction involving the sale  
35 of tangible property is:

36           a. "Wholly in this state" if both the seller's shipping point and the  
37 purchaser's destination point are in this state;

38           b. "Partly within this state and partly without this state" if the seller's  
39 shipping point is in this state and the purchaser's destination point is outside  
40 this state, or the seller's shipping point is outside this state and the purchaser's  
41 destination point is in this state;

42           c. Not "wholly in this state" or not "partly within this state and partly  
43 without this state" only if both the seller's shipping point and the purchaser's  
44 destination point are outside this state.

45           (d) For purposes of this subdivision:

46           a. The purchaser's destination point shall be determined without regard  
47 to the FOB point or other conditions of the sale; and

48           b. The seller's shipping point is determined without regard to the location  
49 of the seller's principle office or place of business.

50           (3) The taxpayer may elect to compute the portion of income from all  
51 sources in this state in the following manner:

52           (a) The income from all sources shall be determined as provided,  
53 excluding therefrom the figures for the operation of any bridge connecting this  
54 state with another state;

55           (b) The amount of sales which are transactions in this state shall be  
56 divided by the total sales, and the net income shall be multiplied by the fraction  
57 thus obtained, to determine the proportion of income to be used to arrive at the  
58 amount of Missouri taxable income. The investment or reinvestment of its own  
59 funds, or sale of any such investment or reinvestment, shall not be considered as  
60 sales or other business transacted for the determination of said fraction;

61           (c) For the purposes of this subdivision, a transaction involving the sale  
62 of tangible property is:

63           a. "In this state" if the purchaser's destination point is in this state;

64           b. Not "in this state" if the purchaser's destination point is outside this  
65 state;

66           (d) For purposes of this subdivision, the purchaser's destination point  
67 shall be determined without regard to the FOB point or other conditions of the  
68 sale and shall not be in this state if the purchaser received the tangible personal  
69 property from the seller in this state for delivery to the purchaser's location  
70 outside this state;

71           (e) For the purposes of this subdivision, a transaction involving the sale  
72 other than the sale of tangible property is "in this state" if the taxpayer's market  
73 for the sales is in this state. The taxpayer's market for sales is in this state:

- 74           a. In the case of sale, rental, lease, or license of real property, if and to  
75 the extent the property is located in this state;
- 76           b. In the case of rental, lease, or license of tangible personal property, if  
77 and to the extent the property is located in this state;
- 78           c. In the case of sale of a service, if and to the extent the ultimate  
79 beneficiary of the service is located in this state and shall not be in this state if  
80 the ultimate beneficiary of the service rendered by the taxpayer or the taxpayer's  
81 designee is located outside this state; and
- 82           d. In the case of intangible property:
- 83           (i) That is rented, leased, or licensed, if and to the extent the property is  
84 used in this state by the rentee, lessee, or licensee, provided that intangible  
85 property utilized in marketing a good or service to a consumer is "used in this  
86 state" if that good or service is purchased by a consumer who is in this  
87 state. Franchise fees or royalties received for the rent, lease, license, or use of a  
88 trade name, trademark, service mark, or franchise system or provides a right to  
89 conduct business activity in a specific geographic area are "used in this state" to  
90 the extent the franchise location is in this state; and
- 91           (ii) That is sold, if and to the extent the property is used in this state,  
92 provided that:
- 93           i. A contract right, government license, or similar intangible property that  
94 authorizes the holder to conduct a business activity in a specific geographic area  
95 is "used in this state" if the geographic area includes all or part of this state;
- 96           ii. Receipts from intangible property sales that are contingent on the  
97 productivity, use, or disposition of the intangible property shall be treated as  
98 receipts from the rental, lease, or licensing of such intangible property under item  
99 (i) of this subparagraph; and
- 100           iii. All other receipts from a sales of intangible property shall be excluded  
101 from the numerator and denominator of the sales factor;
- 102           (f) If the state or states of assignment under paragraph (e) of this  
103 subdivision cannot be determined, the state or states of assignment shall be  
104 reasonably approximated;
- 105           (g) If the state of assignment cannot be determined under paragraph (e)  
106 of this subdivision or reasonably approximated under paragraph (f) of this  
107 subdivision, such sales shall be excluded from the denominator of the sales factor;
- 108           (h) The director may prescribe such rules and regulations as necessary or  
109 appropriate to carry out the purposes of this section.

110 (4) For purposes of this subsection, the following words shall, unless the  
111 context otherwise requires, have the following meaning:

112 (a) "Administration services" include, but are not limited to, clerical, fund  
113 or shareholder accounting, participant record keeping, transfer agency,  
114 bookkeeping, data processing, custodial, internal auditing, legal and tax services  
115 performed for an investment company;

116 (b) "Affiliate", the meaning as set forth in 15 U.S.C. Section 80a-2(a)(3)(C),  
117 as may be amended from time to time;

118 (c) "Distribution services" include, but are not limited to, the services of  
119 advertising, servicing, marketing, underwriting or selling shares of an investment  
120 company, but, in the case of advertising, servicing or marketing shares, only  
121 where such service is performed by a person who is, or in the case of a closed end  
122 company, was, either engaged in the services of underwriting or selling  
123 investment company shares or affiliated with a person that is engaged in the  
124 service of underwriting or selling investment company shares. In the case of an  
125 open end company, such service of underwriting or selling shares must be  
126 performed pursuant to a contract entered into pursuant to 15 U.S.C. Section  
127 80a-15(b), as from time to time amended;

128 (d) "Investment company", any person registered under the federal  
129 Investment Company Act of 1940, as amended from time to time, (the act) or a  
130 company which would be required to register as an investment company under  
131 the act except that such person is exempt to such registration pursuant to Section  
132 80a-3(c)(1) of the act;

133 (e) "Investment funds service corporation" includes any corporation or S  
134 corporation doing business in the state which derives more than fifty percent of  
135 its gross income in the ordinary course of business from the provision directly or  
136 indirectly of management, distribution or administration services to or on behalf  
137 of an investment company or from trustees, sponsors and participants of employee  
138 benefit plans which have accounts in an investment company. An investment  
139 funds service corporation shall include any corporation or S corporation providing  
140 management services as an investment advisory firm registered under Section  
141 203 of the Investment Advisors Act of 1940, as amended from time to time,  
142 regardless of the percentage of gross revenues consisting of fees from  
143 management services provided to or on behalf of an investment company;

144 (f) "Management services" include but are not limited to, the rendering of  
145 investment advice directly or indirectly to an investment company making

146 determinations as to when sales and purchases of securities are to be made on  
147 behalf of the investment company, or the selling or purchasing of securities  
148 constituting assets of an investment company, and related activities, but only  
149 where such activity or activities are performed:

150       a. Pursuant to a contract with the investment company entered into  
151 pursuant to 15 U.S.C. Section 80a-15(a), as from time to time amended;

152       b. For a person that has entered into such contract with the investment  
153 company; or

154       c. For a person that is affiliated with a person that has entered into such  
155 contract with an investment company;

156       (g) "Qualifying sales", gross income derived from the provision directly or  
157 indirectly of management, distribution or administration services to or on behalf  
158 of an investment company or from trustees, sponsors and participants of employee  
159 benefit plans which have accounts in an investment company. For purposes of  
160 this section, "gross income" is defined as that amount of income earned from  
161 qualifying sources without deduction of expenses related to the generation of such  
162 income;

163       (h) "Residence", presumptively the fund shareholder's mailing address on  
164 the records of the investment company. If, however, the investment company or  
165 the investment funds service corporation has actual knowledge that the fund  
166 shareholder's primary residence or principal place of business is different than  
167 the fund shareholder's mailing address such presumption shall not control. To  
168 the extent an investment funds service corporation does not have access to the  
169 records of the investment company, the investment funds service corporation may  
170 employ reasonable methods to determine the investment company fund  
171 shareholder's residence.

172       (5) Notwithstanding other provisions of law to the contrary, qualifying  
173 sales of an investment funds service corporation, or S corporation, shall be  
174 considered wholly in this state only to the extent that the fund shareholders of  
175 the investment companies, to which the investment funds service corporation, or  
176 S corporation, provide services, are resided in this state. Wholly in this state  
177 qualifying sales of an investment funds service corporation, or S corporation, shall  
178 be determined as follows:

179       (a) By multiplying the investment funds service corporation's total dollar  
180 amount of qualifying sales from services provided to each investment company by  
181 a fraction, the numerator of which shall be the average of the number of shares

182 owned by the investment company's fund shareholders resided in this state  
183 at the beginning of and at the end of the investment company's taxable year that  
184 ends with or within the investment funds service corporation's taxable year, and  
185 the denominator of which shall be the average of the number of shares owned by  
186 the investment company's fund shareholders everywhere at the beginning of and  
187 at the end of the investment company's taxable year that ends with or within the  
188 investment funds service corporation's taxable year;

189 (b) A separate computation shall be made to determine the wholly in this  
190 state qualifying sales from each investment company. The qualifying sales for  
191 each investment company shall be multiplied by the respective percentage of each  
192 fund, as calculated pursuant to paragraph (a) of this subdivision. The product of  
193 this equation shall result in the wholly in this state qualifying sales. The  
194 qualifying sales for each investment company which are not wholly in this state  
195 will be considered wholly without this state;

196 (c) To the extent an investment funds service corporation has sales which  
197 are not qualifying sales, those nonqualified sales shall be apportioned to this  
198 state based on the methodology utilized by the investment funds service  
199 corporation without regard to this subdivision.

200 3. Any corporation described in subdivision (1) of subsection 1 of section  
201 143.441 organized in this state or granted a permit to operate in this state for the  
202 transportation or care of passengers shall report its gross earnings within the  
203 state on intrastate business and shall also report its gross earnings on all  
204 interstate business done in this state which report shall be subject to inquiry for  
205 the purpose of determining the amount of income to be included in Missouri  
206 taxable income. The previous sentence shall not apply to a railroad.

207 4. A corporation described in subdivision (2) of subsection 1 of section  
208 143.441 shall include in its Missouri taxable income all income arising from all  
209 sources in this state and all income from each transportation service wholly  
210 within this state, from each service where the only lines of such corporation used  
211 are those in this state, and such proportion of revenue from each service where  
212 the facilities of such corporation in this state and in another state or states are  
213 used, as the mileage used over the lines of such corporation in the state shall  
214 bear to the total mileage used over the lines of such corporation. The taxpayer  
215 may elect to compute the portion of income from all sources within this state in  
216 the following manner:

217 (1) The income from all sources shall be determined as provided;

218           (2) The amount of investment of such corporation on December thirty-first  
219 of each year in this state in fixed transportation facilities, real estate and  
220 improvements, plus the value on December thirty-first of each year of any fixed  
221 transportation facilities, real estate and improvements in this state leased from  
222 any other railroad shall be divided by the sum of the total amount of investment  
223 of such corporation on December thirty-first of each year in fixed transportation  
224 facilities, real estate and improvements, plus the value on December thirty-first  
225 of each year, of any fixed transportation facilities, real estate and improvements  
226 leased from any other railroad. Where any fixed transportation facilities, real  
227 estate or improvements are leased by more than one railroad, such portion of the  
228 value shall be used by each railroad as the rental paid by each shall bear to the  
229 rental paid by all lessees. The income shall be multiplied by the fraction thus  
230 obtained to determine the proportion to be used to arrive at the amount of  
231 Missouri taxable income.

232           5. A corporation described in subdivision (3) of subsection 1 of section  
233 143.441 shall include in its Missouri taxable income one-half of the net income  
234 from the operation of a bridge between this and another state. If any such bridge  
235 is owned or operated by a railroad corporation or corporations, or by a corporation  
236 owning a railroad corporation using such bridge, then the figures for operation  
237 of such bridge may be included in the return of such railroad or railroads; or if  
238 such bridge is owned or operated by any other corporation which may now or  
239 hereafter be required to file an income tax return, one-half of the income or loss  
240 to such corporation from such bridge may be included in such return by adding  
241 or subtracting same to or from another net income or loss shown by the return.

242           6. A corporation described in subdivision (4) of subsection 1 of section  
243 143.441 shall include in its Missouri taxable income all income arising from all  
244 sources within this state. Income shall include revenue from each telephonic or  
245 telegraphic service rendered wholly within this state; from each service rendered  
246 for which the only facilities of such corporation used are those in this state; and  
247 from each service rendered over the facilities of such corporation in this state and  
248 in other state or states, such proportion of such revenue as the mileage involved  
249 in this state shall bear to the total mileage involved over the lines of said  
250 company in all states. The taxpayer may elect to compute the portion of income  
251 from all sources within this state in the following manner:

252           (1) The income from all sources shall be determined as provided;

253           (2) The amount of investment of such corporation on December thirty-first

254 of each year in this state in telephonic or telegraphic facilities, real estate and  
255 improvements thereon, shall be divided by the amount of the total investment of  
256 such corporation on December thirty-first of each year in telephonic or telegraphic  
257 facilities, real estate and improvements. The income of the taxpayer shall be  
258 multiplied by fraction thus obtained to determine the proportion to be used to  
259 arrive at the amount of Missouri taxable income.

260 7. From the income determined in subsections 2, 3, 4, 5 and 6 of this  
261 section to be from all sources within this state shall be deducted such of the  
262 deductions for expenses in determining Missouri taxable income as were incurred  
263 in this state to produce such income and all losses actually sustained in this state  
264 in the business of the corporation.

265 8. If a corporation derives only part of its income from sources within  
266 Missouri, its Missouri taxable income shall only reflect the effect of the following  
267 listed deductions to the extent applicable to Missouri. The deductions are: (a)  
268 its deduction for federal income taxes pursuant to section 143.171, and (b) the  
269 effect on Missouri taxable income of the deduction for net operating loss allowed  
270 by Section 172 of the Internal Revenue Code. The extent applicable to Missouri  
271 shall be determined by multiplying the amount that would otherwise affect  
272 Missouri taxable income by the ratio for the year of the Missouri taxable income  
273 of the corporation for the year divided by the Missouri taxable income for the year  
274 as though the corporation had derived all of its income from sources within  
275 Missouri. For the purpose of the preceding sentence, Missouri taxable income  
276 shall not reflect the listed deductions.

277 9. Any investment funds service corporation organized as a corporation  
278 or S corporation which has any shareholders resided in this state shall be  
279 subject to Missouri income tax as provided in this chapter.

280 10. The provisions of this section do not impact any other apportionment  
281 election available to a taxpayer under Missouri statutes.

**143.455. 1. Missouri taxable income of a corporation shall  
2 include all income derived from sources within this state.**

**3 2. For all tax years beginning on or after January 1, 2019, a  
4 corporation described in subdivision (1) of subsection 1 of section  
5 143.441 shall determine its income derived from sources within this  
6 state by allocating and apportioning its net income as provided in this  
7 section.**

**8 3. As used in this section, unless the context otherwise requires,**

9 the following terms mean:

10 (1) "Apportionable income":

11 (a) All income that is apportionable under the Constitution of the  
12 United States and is not allocated under the laws of this state,  
13 including:

14 a. Income arising from transactions and activity in the regular  
15 course of the corporation's trade or business; and

16 b. Income arising from tangible and intangible property if the  
17 acquisition, management, employment, development, or disposition of  
18 the property is or was related to the operation of the corporation's  
19 trade or business; and

20 (b) Any income that would be allocable to this state under the  
21 Constitution of the United States, but that is apportioned rather than  
22 allocated pursuant to the laws of this state;

23 (2) "Commercial domicile", the principal place from which the  
24 trade or business of the corporation is directed or managed;

25 (3) "Financial organization", any bank, trust company, savings  
26 bank, industrial bank, land bank, safe deposit company, private banker,  
27 savings and loan association, credit union, cooperative bank, small loan  
28 company, sales finance company, investment company, or any type of  
29 insurance company;

30 (4) "Non-apportionable income", all income other than  
31 apportionable income;

32 (5) "Public utility", any business entity:

33 (a) Which owns or operates any plant, equipment, property,  
34 franchise, or license for the transmission of communications,  
35 transportation of goods or persons, except by pipeline, or the  
36 production, transmission, sale, delivery, or furnishing of electricity,  
37 water or steam; and

38 (b) Whose rates of charges for goods or services have been  
39 established or approved by a federal, state, or local government or  
40 governmental agency;

41 (6) "Receipts", all gross receipts of the corporation that are not  
42 allocated under the provisions of this section, and that are received  
43 from transactions and activity in the regular course of the  
44 corporation's trade or business; except that receipts of a corporation  
45 from hedging transactions and from the maturity, redemption, sale,

46 exchange, loan or other disposition of cash or securities, shall be  
47 excluded.

48 4. For purposes of allocation and apportionment of income under  
49 this section, a corporation is taxable in another state if:

50 (1) In that state it is subject to a net income tax, a franchise tax  
51 measured by net income, a franchise tax for the privilege of doing  
52 business, or a corporate stock tax; or

53 (2) That state has jurisdiction to subject the corporation to a net  
54 income tax regardless of whether, in fact, the state does or does not do  
55 so.

56 5. Rents and royalties from real or tangible personal property,  
57 capital gains, interest, dividends or patent or copyright royalties, to the  
58 extent that they constitute nonapportionable income, shall be allocated  
59 as provided in subsections 6 to 9 of this section.

60 6. (1) Net rents and royalties from real property located in this  
61 state are allocable to this state.

62 (2) Net rents and royalties from tangible personal property are  
63 allocable to this state:

64 (a) If and to the extent the property is utilized in this state; or

65 (b) In their entirety if the corporation's commercial domicile is  
66 in this state and the corporation is not organized under the laws of or  
67 taxable in the state in which the property is utilized.

68 (3) The extent of utilization of tangible personal property in a  
69 state is determined by multiplying the rents and royalties by a fraction,  
70 the numerator of which is the number of days of physical location of  
71 the property in the state during the rental or royalty period in the  
72 taxable year and the denominator of which is the number of days of  
73 physical location of the property everywhere during all rental or  
74 royalty periods in the taxable year. If the physical location of the  
75 property during the rental or royalty period is unknown or  
76 unascertainable by the corporation, tangible personal property is  
77 utilized in the state in which the property was located at the time the  
78 rental or royalty payer obtained possession.

79 7. (1) Capital gains and losses from sales of real property located  
80 in this state are allocable to this state.

81 (2) Capital gains and losses from sales of tangible personal  
82 property are allocable to this state if:

83           **(a) The property had a situs in this state at the time of the sale;**  
84 **or**

85           **(b) The corporation's commercial domicile is in this state and the**  
86 **corporation is not taxable in the state in which the property had a**  
87 **situs.**

88           **(3) Capital gains and losses from sales of intangible personal**  
89 **property are allocable to this state if the corporation's commercial**  
90 **domicile is in this state.**

91           **8. Interest and dividends are allocable to this state if the**  
92 **corporation's commercial domicile is in this state.**

93           **9. (1) Patent and copyright royalties are allocable to this state:**

94           **(a) If and to the extent that the patent or copyright is utilized by**  
95 **the payer in this state; or**

96           **(b) If and to the extent that the patent or copyright is utilized by**  
97 **the payer in a state in which the corporation is not taxable and the**  
98 **corporation's commercial domicile is in this state.**

99           **(2) A patent is utilized in a state to the extent that it is employed**  
100 **in production, fabrication, manufacturing, or other processing in the**  
101 **state or to the extent that a patented product is produced in the state.**  
102 **If the basis of receipts from patent royalties does not permit allocation**  
103 **to states or if the accounting procedures do not reflect states of**  
104 **utilization, the patent is utilized in the state in which the corporation's**  
105 **commercial domicile is located.**

106           **(3) A copyright is utilized in a state to the extent that printing**  
107 **or other publication originates in the state. If the basis of receipts**  
108 **from copyright royalties does not permit allocation to states or if the**  
109 **accounting procedures do not reflect states of utilization, the copyright**  
110 **is utilized in the state in which the corporation's commercial domicile**  
111 **is located.**

112           **10. All apportionable income shall be apportioned to this state**  
113 **by multiplying the net income by a fraction, the numerator of which is**  
114 **the total receipts of the corporation in this state during the tax period**  
115 **and the denominator of which is the total receipts of the corporation**  
116 **everywhere during the tax period.**

117           **11. Receipts from the sale of tangible personal property are in**  
118 **this state if the property is received in this state by the purchaser. In**  
119 **the case of the delivery of goods by common carrier or by other means**

120 of transportation, including transportation by the purchaser, the place  
121 at which the goods are ultimately received after all transportation has  
122 been completed shall be considered as the place at which the goods are  
123 received by the purchaser. Direct delivery into this state by the  
124 taxpayer to a person or firm designated by a purchaser from within or  
125 without the state shall constitute delivery to the purchaser in this  
126 state.

127       **12. (1) Receipts, other than receipts described in subsection 11**  
128 **of this section, are in this state if the corporation's market for the sales**  
129 **is in this state. The corporation's market for sales is in this state:**

130       **(a) In the case of sale, rental, lease, or license of real property,**  
131 **if and to the extent the property is located in this state;**

132       **(b) In the case of rental, lease, or license of tangible personal**  
133 **property, if and to the extent the property is located in this state;**

134       **(c) In the case of sale of a service, if and to the extent the**  
135 **ultimate beneficiary of the service is located in this state and shall not**  
136 **be in this state if the ultimate beneficiary of the service rendered by**  
137 **the corporation or the corporation's designee is located outside this**  
138 **state; and**

139       **(d) In the case of intangible property:**

140       **a. That is rented, leased, or licensed, if and to the extent the**  
141 **property is used in this state, provided that intangible property utilized**  
142 **in marketing a good or service to a consumer is "used in this state" if**  
143 **that good or service is purchased by a consumer who is in this**  
144 **state. Franchise fees or royalties received for the rent, lease, license,**  
145 **or use of a trade name, trademark, service mark, or franchise system**  
146 **or provides a right to conduct business activity in a specific geographic**  
147 **area "are used in this state" to the extent the franchise is located in this**  
148 **state; and**

149       **b. That is sold, if and to the extent the property is used in this**  
150 **state, provided that:**

151       **(i) A contract right, government license, or similar intangible**  
152 **property that authorizes the holder to conduct a business activity in a**  
153 **specific geographic area is "used in this state" if the geographic area**  
154 **includes all or part of this state;**

155       **(ii) Receipts from intangible property sales that are contingent**  
156 **on the productivity, use, or disposition of the intangible property shall**

157 be treated as receipts from the rental, lease, or licensing of such  
158 intangible property under subparagraph a. of this paragraph; and

159 (iii) All other receipts from a sale of intangible property shall be  
160 excluded from the numerator and denominator of the receipts factor.

161 (2) If the state or states of assignment under subdivision (1) of  
162 this subsection cannot be determined, the state or states of assignment  
163 shall be reasonably approximated.

164 (3) The director may prescribe regulations as necessary or  
165 appropriate to carry out the purposes of this section.

166 13. (1) In the case of certain industries where unusual factual  
167 situations produce inequitable results under the apportionment and  
168 allocation provisions of this section, the director shall promulgate rules  
169 for determining the apportionment and allocation factors for each such  
170 industry, but such rules shall be applied uniformly.

171 (2) If the allocation and apportionment provisions of this section  
172 do not fairly represent the extent of the corporation's income  
173 applicable to this state, the corporation may petition for or the director  
174 may require:

175 (a) Separate accounting;

176 (b) The inclusion of one or more additional factors which will  
177 fairly represent the corporation's income applicable to this state; or

178 (c) The employment of any other method to effectuate an  
179 equitable allocation and apportionment of the corporation's income.

180 (3) The party petitioning for, or the director requiring, the use  
181 of any method to effectuate an equitable allocation and apportionment  
182 of the corporation's income pursuant to subdivision (2) of this  
183 subsection shall prove by a preponderance of evidence:

184 (a) That the allocation and apportionment provisions of this  
185 section do not fairly represent the extent of the corporation's income  
186 applicable to this state; and

187 (b) That the alternative to such provisions is reasonable.

188 The same burden of proof shall apply whether the corporation is  
189 petitioning for, or the director is requiring, the use of any reasonable  
190 method to effectuate an equitable allocation and apportionment of the  
191 corporation's income. Notwithstanding the previous sentence, if the  
192 director can show that in any two of the prior five tax years, the  
193 corporation had used an allocation or apportionment method at

194 variance with its allocation or apportionment method or methods used  
195 for such other tax years, then the director shall not bear the burden of  
196 proof in imposing a different method pursuant to subdivision (2) of this  
197 subsection.

198 (4) If the director requires any method to effectuate an equitable  
199 allocation and apportionment of the corporation's income, the director  
200 cannot impose any civil or criminal penalty with reference to the tax  
201 due that is attributable to the corporation's reasonable reliance solely  
202 on the allocation and apportionment provisions of this section.

203 (5) A corporation that has received written permission from the  
204 director to use a reasonable method to effectuate an equitable  
205 allocation and apportionment of the corporation's income shall not  
206 have that permission revoked with respect to transactions and  
207 activities that have already occurred unless there has been a material  
208 change in, or a material misrepresentation of, the facts provided by the  
209 corporation upon which the director reasonably relied.

210 14. Any corporation described in subdivision (1) of subsection 1  
211 of section 143.441 organized in this state or granted a permit to operate  
212 in this state for the transportation or care of passengers shall report its  
213 gross earnings within the state on intrastate business and shall also  
214 report its gross earnings on all interstate business done in this  
215 state. Such report shall be subject to inquiry for the purpose of  
216 determining the amount of income to be included in Missouri taxable  
217 income. This subsection shall not apply to a railroad.

218 15. A corporation described in subdivision (2) of subsection 1 of  
219 section 143.441 shall include in its Missouri taxable income all income  
220 arising from all sources in this state and all income from each  
221 transportation service wholly within this state, from each service  
222 where the only rails and lines of such corporation used are those in  
223 this state, and such proportion of revenue from each service where the  
224 facilities of such corporation in this state and in another state or states  
225 are used, as the mileage used over the rails and lines of such  
226 corporation in the state shall bear to the total mileage used over the  
227 rails and lines of such corporation. The corporation may elect to  
228 compute the portion of income from all sources within this state in the  
229 following manner:

230 (1) The income from all sources shall be determined as provided;

231           **(2) The amount of investment of such corporation on December**  
232 **thirty-first of each year in this state in fixed transportation facilities,**  
233 **real estate and improvements, plus the value on December thirty-first**  
234 **of each year of any fixed transportation facilities, real estate and**  
235 **improvements in this state leased from any other railroad shall be**  
236 **divided by the sum of the total amount of investment of such**  
237 **corporation on December thirty-first of each year in fixed**  
238 **transportation facilities, real estate and improvements, plus the value**  
239 **on December thirty-first of each year, of any fixed transportation**  
240 **facilities, real estate and improvements leased from any other railroad.**  
241 **Where any fixed transportation facilities, real estate or improvements**  
242 **are leased by more than one railroad, such portion of the value shall be**  
243 **used by each railroad as the rental paid by each shall bear to the rental**  
244 **paid by all lessees. The income shall be multiplied by the fraction thus**  
245 **obtained to determine the proportion to be used to arrive at the**  
246 **amount of Missouri taxable income.**

247           **16. A corporation described in subdivision (3) of subsection 1 of**  
248 **section 143.441 shall include in its Missouri taxable income one-half of**  
249 **the net income from the operation of a bridge between this and another**  
250 **state. If any such bridge is owned or operated by a railroad**  
251 **corporation or corporations, or by a corporation owning a railroad**  
252 **corporation using such bridge, then the figures for operation of such**  
253 **bridge may be included in the return of such railroad or railroads; or**  
254 **if such bridge is owned or operated by any other corporation which**  
255 **may now or hereafter be required to file an income tax return, one-half**  
256 **of the income or loss to such corporation from such bridge may be**  
257 **included in such return by adding or subtracting the same to or from**  
258 **another net income or loss shown by the return.**

259           **17. A corporation described in subdivision (4) of subsection 1 of**  
260 **section 143.441 shall include in its Missouri taxable income all income**  
261 **arising from all sources within this state. Income shall include revenue**  
262 **from each telephonic or telegraphic service rendered wholly within this**  
263 **state; from each service rendered for which the only facilities of such**  
264 **corporation used are those in this state; and from each service**  
265 **rendered over the facilities of such corporation in this state and in**  
266 **other state or states, such proportion of such revenue as the mileage**  
267 **involved in this state shall bear to the total mileage involved over the**

268 lines of said company in all states. The corporation may elect to  
269 compute the portion of income from all sources within this state in the  
270 following manner:

271 (1) The income from all sources shall be determined as provided;

272 (2) The amount of investment of such corporation on December  
273 thirty-first of each year in this state in telephonic or telegraphic  
274 facilities, real estate and improvements thereon, shall be divided by the  
275 amount of the total investment of such corporation on December  
276 thirty-first of each year in telephonic or telegraphic facilities, real  
277 estate and improvements. The income of the corporation shall be  
278 multiplied by the fraction thus obtained to determine the proportion  
279 to be used to arrive at the amount of Missouri taxable income.

280 18. From the income determined in this section to be from all  
281 sources within this state shall be deducted such of the deductions for  
282 expenses in determining Missouri taxable income as were incurred in  
283 this state to produce such income and all losses actually sustained in  
284 this state in the business of the corporation.

285 19. If a corporation derives only part of its income from sources  
286 within Missouri, its Missouri taxable income shall only reflect the effect  
287 on Missouri taxable income of the deduction for net operating loss  
288 allowed by Section 172 of the Internal Revenue Code. The extent  
289 applicable to Missouri shall be determined by multiplying the amount  
290 that would otherwise affect Missouri taxable income by the ratio for the  
291 year of the Missouri taxable income of the corporation for the year  
292 divided by the Missouri taxable income for the year as though the  
293 corporation had derived all of its income from sources within  
294 Missouri. For the purpose of the preceding sentence, Missouri taxable  
295 income shall not reflect the deduction.

296 20. Any investment funds service corporation organized as a  
297 corporation or S corporation which has any shareholders resided  
298 in this state shall be subject to Missouri income tax as provided in this  
299 chapter.

143.461. 1. A corporation shall elect to determine income applicable to  
2 this state by multiplying the total income from all sources by the fraction  
3 determined in the manner in section [143.451] 143.455; first, by filing written  
4 notice with the director of revenue on or before the due date of the return

5 (including extensions of time) of the taxpayer's election, or, second, by failing to  
6 keep its books and records in such manner as to show the income applicable to  
7 this state, including gross income and deductions applicable thereto.

8         2. If the corporation shall keep its books and records so as to show **the**  
9 **income applicable to this state** by any other method of allocation between  
10 this state and other states [involved of income from transactions partially within  
11 and partially without this state], including gross income and deductions  
12 applicable thereto, and such method shows the income applicable to this state,  
13 including gross income and deductions applicable thereto, then it may, on or  
14 before sixty days before the end of any taxable year, petition the director of  
15 revenue, in writing, to be permitted in its return required to be filed to apportion  
16 to this state according to the method shown by such books or records. If the  
17 director of revenue finds that such method does show the income applicable to  
18 this state including gross income and the deductions applicable thereto, he **or**  
19 **she** shall notify the corporation, at least thirty days prior to the last day on  
20 which such corporation's return for that taxable year is to be filed, that it may  
21 use that method **for the shorter of five years or** as long as such method shows  
22 the income applicable to this state, including gross income and deductions  
23 applicable thereto.

24         3. The corporation shall cease using such method **after the shorter of**  
25 **five years or** whenever the director of revenue finds and notifies such  
26 corporation on or before ninety days before the end of the taxable year, that such  
27 method does not so show. Upon and after such **expiration or** revocation the  
28 corporation shall be permitted to petition to use **the same or** another method of  
29 allocation that will show such income including gross income and deductions  
30 applicable thereto as though no petition had ever been filed.

31         4. Failure, after a method has **expired or** been revoked by the director  
32 of revenue, to submit a method which the director of revenue finds will show such  
33 income applicable to this state including gross income and deductions applicable  
34 thereto, on or before sixty days before the end of any taxable year, or failure to  
35 make a return on the basis, which has been approved by the director of revenue  
36 on petition of the corporation and which stands unrevoked **or unexpired**, shall  
37 constitute an election to accept the determination of income applicable to this  
38 state by multiplying the total income from all sources by the fraction determined  
39 in the manner set forth in section 143.451 **or, for a tax year beginning on or**  
40 **after January 1, 2019, in the manner set forth in section 143.455.**

143.471. 1. An S corporation, as defined by Section 1361 (a)(1) of the Internal Revenue Code, shall not be subject to the taxes imposed by section 143.071, or other sections imposing income tax on corporations.

2. A shareholder of an S corporation shall determine such shareholder's S corporation modification and pro rata share, including its character, by applying the following:

(1) Any modification described in sections 143.121 and 143.141 which relates to an item of S corporation income, gain, loss, or deduction shall be made in accordance with the shareholder's pro rata share, for federal income tax purposes, of the item to which the modification relates. Where a shareholder's pro rata share of any such item is not required to be taken into account separately for federal income tax purposes, the shareholder's pro rata share of such item shall be determined in accordance with his pro rata share, for federal income tax purposes, of S corporation taxable income or loss generally;

(2) Each item of S corporation income, gain, loss, or deduction shall have the same character for a shareholder pursuant to sections 143.005 to 143.998 as it has for federal income tax purposes. Where an item is not characterized for federal income tax purposes, it shall have the same character for a shareholder as if realized directly from the source from which realized by the S corporation or incurred in the same manner as incurred by the S corporation.

3. A nonresident shareholder of an S corporation shall determine such shareholder's Missouri nonresident adjusted gross income and his or her nonresident shareholder modification by applying the provisions of this subsection. Items shall be determined to be from sources within this state pursuant to regulations of the director of revenue in a manner consistent with the division of income provisions of section 143.451, section 143.461, or section 32.200 (Multistate Tax Compact). In determining the adjusted gross income of a nonresident shareholder of any S corporation, there shall be included only that part derived from or connected with sources in this state of the shareholder's pro rata share of items of S corporation income, gain, loss or deduction entering into shareholder's federal adjusted gross income, as such part is determined pursuant to regulations prescribed by the director of revenue in accordance with the general rules in section 143.181. Any modification described in subsections 2 and 3 of section 143.121 and in section 143.141, which relates to an item of S corporation income, gain, loss, or deduction shall be made in accordance with the shareholder's pro rata share, for federal income tax purposes, of the item to which

37 the modification relates, but limited to the portion of such item derived from or  
38 connected with sources in this state.

39 **4. Notwithstanding subsection 3 of this section to the contrary,**  
40 **for all tax years beginning on or after January 1, 2019, the items**  
41 **referred to in that subsection shall be determined to be from sources**  
42 **within this state pursuant to regulations of the director of revenue in**  
43 **a manner consistent with the division of income provisions of section**  
44 **143.455 and section 143.461.**

45 **5.** The director of revenue shall permit S corporations to file composite  
46 returns and to make composite payments of tax on behalf of its nonresident  
47 shareholders not otherwise required to file a return. If the nonresident  
48 shareholder's filing requirements result solely from one or more interests in any  
49 other partnerships or subchapter S corporations, that nonresident shareholder  
50 may be included in the composite return.

51 **[5.] 6.** If an S corporation pays or credits amounts to any of its  
52 nonresident individual shareholders as dividends or as their share of the S  
53 corporation's undistributed taxable income for the taxable year, the S corporation  
54 shall either timely file with the department of revenue an agreement as provided  
55 in subsection **[6] 7** of this section or withhold Missouri income tax as provided in  
56 subsection **[7] 8** of this section. An S corporation that timely files an agreement  
57 as provided in subsection **[6] 7** of this section with respect to a nonresident  
58 shareholder for a taxable year shall be considered to have timely filed such an  
59 agreement for each subsequent taxable year. An S corporation that does not  
60 timely file such an agreement for a taxable year shall not be precluded from  
61 timely filing such an agreement for subsequent taxable years. An S corporation  
62 is not required to deduct and withhold Missouri income tax for a nonresident  
63 shareholder if:

64 (1) The nonresident shareholder not otherwise required to file a return  
65 agrees to have the Missouri income tax due paid as part of the S corporation's  
66 composite return;

67 (2) The nonresident shareholder not otherwise required to file a return  
68 had Missouri assignable federal adjusted gross income from the S corporation of  
69 less than twelve hundred dollars;

70 (3) The S corporation is liquidated or terminated;

71 (4) Income was generated by a transaction related to termination or  
72 liquidation; or

73 (5) No cash or other property was distributed in the current and prior  
74 taxable year.

75 [6.] 7. The agreement referred to in subdivision (1) of subsection [5] 6 of  
76 this section is an agreement of a nonresident shareholder of the S corporation to:

77 (1) File a return in accordance with the provisions of section 143.481 and  
78 to make timely payment of all taxes imposed on the shareholder by this state  
79 with respect to income of the S corporation; and

80 (2) Be subject to personal jurisdiction in this state for purposes of the  
81 collection of income taxes, together with related interest and penalties, imposed  
82 on the shareholder by this state with respect to the income of the S corporation.  
83 The agreement will be considered timely filed for a taxable year, and for all  
84 subsequent taxable years, if it is filed at or before the time the annual return for  
85 such taxable year is required to be filed pursuant to section 143.511.

86 [7.] 8. The amount of Missouri income tax to be withheld is determined  
87 by multiplying the amount of dividends or undistributed income allocable to  
88 Missouri that is paid or credited to a nonresident shareholder during the taxable  
89 year by the highest rate used to determine a Missouri income tax liability for an  
90 individual, except that the amount of the tax withheld may be determined based  
91 on withholding tables provided by the director of revenue if the shareholder  
92 submits a Missouri withholding allowance certificate.

93 [8.] 9. An S corporation shall be entitled to recover for a shareholder on  
94 whose behalf a tax payment was made pursuant to this section, if such  
95 shareholder has no tax liability.

96 [9.] 10. With respect to S corporations that are banks or bank holding  
97 companies, a pro rata share of the tax credit for the tax payable pursuant to  
98 chapter 148 shall be allowed against each S corporation shareholders' state  
99 income tax as follows, provided the bank otherwise complies with section 148.112:

100 (1) The credit allowed by this subsection shall be equal to the bank tax  
101 calculated pursuant to chapter 148 based on bank income in 1999 and after, on  
102 a bank that makes an election pursuant to 26 U.S.C. Section 1362, and such  
103 credit shall be allocated to the qualifying shareholder according to stock  
104 ownership, determined by multiplying a fraction, where the numerator is the  
105 shareholder's stock, and the denominator is the total stock issued by such bank  
106 or bank holding company;

107 (2) The tax credit authorized in this subsection shall be permitted only to  
108 the shareholders that qualify as S corporation shareholders, provided the stock

109 at all times during the taxable period qualifies as S corporation stock as defined  
110 in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the  
111 taxable period. The credit created by this section on a yearly basis is available  
112 to each qualifying shareholder, including shareholders filing joint returns. A  
113 bank holding company is not allowed this credit, except that, such credit shall  
114 flow through to such bank holding company's qualified shareholders, and be  
115 allocated to such shareholders under the same conditions; and

116 (3) In the event such shareholder cannot use all or part of the tax credit  
117 in the taxable period of receipt, such shareholder may carry forward such tax  
118 credit for a period of the lesser of five years or until used, provided such credits  
119 are used as soon as the taxpayer has Missouri taxable income.

120 [10.] 11. With respect to S corporations that are associations, a pro rata  
121 share of the tax credit for the tax payable under chapter 148 shall be allowed  
122 against each S corporation shareholders' state income tax as follows, provided the  
123 association otherwise complies with section 148.655:

124 (1) The credit allowed by this subsection shall be equal to the savings and  
125 loan association tax calculated under chapter 148 based on the computations  
126 provided in section 148.630 on an association that makes an election under 26  
127 U.S.C. Section 1362, and such credit shall be allocated to the qualifying  
128 shareholder according to stock ownership, determined by multiplying a fraction,  
129 where the numerator is the shareholder's stock, and the denominator is the total  
130 stock issued by the association;

131 (2) The tax credit authorized in this subsection shall be permitted only to  
132 the shareholders that qualify as S corporation shareholders, provided the stock  
133 at all times during the taxable period qualifies as S corporation stock as defined  
134 in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the  
135 taxable period. The credit created by this section on a yearly basis is available  
136 to each qualifying shareholder, including shareholders filing joint returns. A  
137 savings and loan association holding company is not allowed this credit, except  
138 that, such credit shall flow through to such savings and loan association holding  
139 company's qualified shareholders, and be allocated to such shareholders under  
140 the same conditions; and

141 (3) In the event such shareholder cannot use all or part of the tax credit  
142 in the taxable period of receipt, such shareholder may carry forward such tax  
143 credit for a period of the lesser of five years or until used, provided such credits  
144 are used as soon as the taxpayer has Missouri taxable income.

145 [11.] 12. With respect to S corporations that are credit institutions, a pro  
146 rata share of the tax credit for the tax payable under chapter 148 shall be allowed  
147 against each S corporation shareholders' state income tax as follows, provided the  
148 credit institution otherwise complies with section 148.657:

149 (1) The credit allowed by this subsection shall be equal to the credit  
150 institution tax calculated under chapter 148 based on the computations provided  
151 in section 148.150 on a credit institution that makes an election under 26 U.S.C.  
152 Section 1362, and such credit shall be allocated to the qualifying shareholder  
153 according to stock ownership, determined by multiplying a fraction, where the  
154 numerator is the shareholder's stock, and the denominator is the total stock  
155 issued by such credit institution;

156 (2) The tax credit authorized in this subsection shall be permitted only to  
157 the shareholders that qualify as S corporation shareholders, provided the stock  
158 at all times during the taxable period qualifies as S corporation stock as defined  
159 in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the  
160 taxable period. The credit created by this section on a yearly basis is available  
161 to each qualifying shareholder, including shareholders filing joint returns. A  
162 credit institution holding company is not allowed this credit, except that, such  
163 credit shall flow through to such credit institution holding company's qualified  
164 shareholders, and be allocated to such shareholders under the same conditions;  
165 and

166 (3) In the event such shareholder cannot use all or part of the tax credit  
167 in the taxable period of receipt, such shareholder may carry forward such tax  
168 credit for a period of the lesser of five years or until used, provided such credits  
169 are used as soon as the taxpayer has Missouri taxable income.

144.010. 1. The following words, terms, and phrases when used in  
2 [sections 144.010 to 144.525] **this chapter shall** have the meanings ascribed to  
3 them in this section, except when the context indicates a different meaning:

4 (1) "Admission" includes seats and tables, reserved or otherwise, and  
5 other similar accommodations and charges made therefor and amount paid for  
6 admission, exclusive of any admission tax imposed by the federal government or  
7 by sections 144.010 to 144.525;

8 (2) "**Advertising and promotional direct mail**", **printed material**  
9 **that meets the definition of direct mail, the primary purpose of which**  
10 **is to attract public attention to a product, person, business, or**  
11 **organization, or to attempt to sell, popularize, or secure financial**

12 support for a product, person, business, or organization. As used in  
13 this subdivision, the word "product" means tangible personal property,  
14 a product transferred electronically or a service;

15 (3) "Agreement", the streamlined sales and use tax agreement, as  
16 amended from time to time;

17 (4) "Air-to-ground radiotelephone service", a radio service, as  
18 that term is defined in 47 CFR 22.99, in which common carriers are  
19 authorized to offer and provide radio telecommunications service for  
20 hire to subscribers in aircraft;

21 (5) "Alcoholic beverages", beverages that are suitable for human  
22 consumption and contain one-half of one percent or more of alcohol by  
23 volume;

24 (6) "Ancillary services", services that are associated with or  
25 incidental to the provisions of telecommunications services, including  
26 but not limited to, detailed telecommunications billing, directory  
27 assistance, vertical service, and voice mail services. Ancillary services  
28 shall not include specified digital products, digital audio-visual works,  
29 digital audio works, or digital books;

30 (7) "Appliance", clothes washers and dryers, water heaters, trash  
31 compactors, dishwashers, conventional ovens, ranges, stoves, air  
32 conditioners, furnaces, refrigerators, and freezers;

33 (8) "Bottled water", water that is placed in a safety sealed  
34 container or package for human consumption. Bottled water is calorie  
35 free and does not contain sweeteners or other additives except that it  
36 may contain:

37 (a) Antimicrobial agents;

38 (b) Fluoride;

39 (c) Carbonation;

40 (d) Vitamins, minerals, and electrolytes;

41 (e) Oxygen;

42 (f) Preservatives; and

43 (g) Only those flavors, extracts, or essences derived from a spice  
44 or fruit.

45 Bottled water includes water that is delivered to the buyer in a  
46 reusable container that is not sold with the water;

47 (9) "Bundled transaction":

48 (a) The retail sale of two or more products, except real property

49 and services to real property, where the products are otherwise distinct  
50 and identifiable, and the products are sold for one nonitemized price.  
51 A bundled transaction shall not include the sale of any products in  
52 which the sales price varies, or is negotiable, based on the selection by  
53 the purchaser of the products included in the transaction;

54 (b) As used in this subdivision, the term "distinct and identifiable  
55 products" shall not include:

56 a. Packaging, such as containers, boxes, sacks, bags, and bottles,  
57 or other materials, such as wrapping, labels, tags, and instruction  
58 guides, that accompany the retail sale of the products and are  
59 incidental or immaterial to the retail sale thereof;

60 b. A product provided free of charge with the required purchase  
61 of another product. A product is provided free of charge if the sales  
62 price of the product purchased does not vary depending on the  
63 inclusion of the product provided free of charge;

64 c. Items included in the definition of the term sales price;

65 (c) As used in this subdivision, the term "one nonitemized price"  
66 shall not include a price that is separately identified by product on  
67 binding sales or other supporting sales-related documentation made  
68 available to the customer in paper or electronic form, including but not  
69 limited to an invoice, bill of sale, receipt, contract, service agreement,  
70 lease agreement, periodic notice of rates and services, rate card, or  
71 price list;

72 (d) a. A transaction that otherwise meets the definition of a  
73 bundled transaction as defined in this subdivision shall not constitute  
74 a bundled transaction if it is:

75 (i) A retail sale of tangible personal property and a service  
76 where the tangible personal property is essential to the use of the  
77 service, and is provided exclusively in connection with the service, and  
78 the true object of the transaction is the service; or

79 (ii) A retail sale of services where one service is provided that  
80 is essential to the use of receipt of a second service and the first  
81 service is provided exclusively in connection with the second service  
82 and the true object of the transaction is the second service; or

83 (iii) A transaction that includes taxable products and nontaxable  
84 products and the sales price of the taxable products is de minimis.

85 b. "De minimis" means the sales price of the taxable product is

86 **ten percent or less of the total sales price of the bundled products.**

87 **c. Sellers shall use the sales price of the products to determine**  
88 **if the taxable products are de minimis.**

89 **d. (i) Sellers shall use the full term of a service contract to**  
90 **determine if the taxable products are de minimis; or**

91 **(ii) A retail sale of exempt tangible personal property and**  
92 **taxable tangible personal property where:**

93 **i. The transaction included food and food ingredients, drugs,**  
94 **durable medical equipment, mobility enhancing equipment,**  
95 **over-the-counter drugs, prosthetic devices, or medical supplies; and**

96 **ii. The seller's purchase price or sales price of the taxable**  
97 **tangible personal property is fifty percent or less of the total sales**  
98 **price of the bundled tangible personal property. Sellers shall not use**  
99 **a combination of the purchase price and sales price of the tangible**  
100 **personal property when making the fifty percent determination for a**  
101 **transaction;**

102 **(10) "Business" includes any activity engaged in by any person, or caused**  
103 **to be engaged in by him, with the object of gain, benefit or advantage, either**  
104 **direct or indirect, and the classification of which business is of such character as**  
105 **to be subject to the terms of sections 144.010 to 144.525. A person is "engaging**  
106 **in business" in this state for purposes of sections 144.010 to 144.525 if such**  
107 **person engages in business in this state or maintains a place of business in this**  
108 **state under section [144.605] 144.612. The isolated or occasional sale of tangible**  
109 **personal property, service, substance, or thing, by a person not engaged in such**  
110 **business, does not constitute engaging in business within the meaning of sections**  
111 **144.010 to 144.525 unless the total amount of the gross receipts from such sales,**  
112 **exclusive of receipts from the sale of tangible personal property by persons which**  
113 **property is sold in the course of the partial or complete liquidation of a**  
114 **household, farm or nonbusiness enterprise, exceeds three thousand dollars in any**  
115 **calendar year. The provisions of this subdivision shall not be construed to make**  
116 **any sale of property which is exempt from sales tax or use tax on June 1, 1977,**  
117 **subject to that tax thereafter;**

118 **(11) "Calendar quarter", the period of three consecutive calendar**  
119 **months ending on March thirty-first, June thirtieth, September**  
120 **thirtieth or December thirty-first;**

121 **(12) "Call-by-call basis", any method of charging for**

122 **telecommunications services where the price is measured by individual**  
123 **calls;**

124 **(13) "Candy", a preparation of sugar, honey, or other natural or**  
125 **artificial sweeteners in combination with chocolate, fruits, nuts, or**  
126 **other ingredients or flavorings in the form of bars, drops, or**  
127 **pieces. Candy shall not include any preparation containing flour and**  
128 **shall require no refrigeration;**

129 **[(3)] (14) "Captive wildlife", includes but is not limited to exotic**  
130 **partridges, gray partridge, northern bobwhite quail, ring-necked pheasant,**  
131 **captive waterfowl, captive white-tailed deer, captive elk, and captive furbearers**  
132 **held under permit issued by the Missouri department of conservation for hunting**  
133 **purposes. The provisions of this subdivision shall not apply to sales tax on a**  
134 **harvested animal;**

135 **(15) "Certified automated system" or "CAS", software certified**  
136 **under the streamlined sales and use tax agreement to calculate the tax**  
137 **imposed by each jurisdiction on a transaction, determine the amount**  
138 **of tax to remit to the appropriate state, and maintain a record of the**  
139 **transaction;**

140 **(16) "Certified service provider" or "CSP", an agent certified**  
141 **under the streamlined sales and use tax agreement to perform all the**  
142 **seller's sales and use tax functions, other than the seller's obligation to**  
143 **remit tax on its own purchases;**

144 **(17) "Clothing":**

145 **(a) All human wearing apparel suitable for general use;**

146 **(b) Clothing shall include:**

147 **a. Aprons, household and shop;**

148 **b. Athletic supporters;**

149 **c. Baby receiving blankets;**

150 **d. Bathing suits and caps;**

151 **e. Beach capes and coats;**

152 **f. Belts and suspenders;**

153 **g. Boots;**

154 **h. Coats and jackets;**

155 **i. Costumes;**

156 **j. Diapers, children and adult, including disposable diapers;**

157 **k. Ear muffs;**

- 158           **l. Footlets;**  
159           **m. Formal wear;**  
160           **n. Garters and garter belts;**  
161           **o. Girdles;**  
162           **p. Gloves and mittens for general use;**  
163           **q. Hats and caps;**  
164           **r. Hosiery;**  
165           **s. Insoles for shoes;**  
166           **t. Lab coats;**  
167           **u. Neckties;**  
168           **v. Overshoes;**  
169           **w. Pantyhose;**  
170           **x. Rainwear;**  
171           **y. Rubber pants;**  
172           **z. Sandals;**  
173           **aa. Scarves;**  
174           **bb. Shoes and shoe laces;**  
175           **cc. Slippers;**  
176           **dd. Sneakers;**  
177           **ee. Socks and stockings;**  
178           **ff. Steel toed shoes;**  
179           **gg. Underwear;**  
180           **hh. Uniforms, athletic and nonathletic; and**  
181           **ii. Wedding apparel;**  
182           **(c) Clothing shall not include:**  
183           **a. Belt buckles sold separately;**  
184           **b. Costume masks sold separately;**  
185           **c. Patches and emblems sold separately;**  
186           **d. Sewing equipment and supplies, including but not limited to,**  
187 **knitting needles, patterns, pins, scissors, sewing machines, sewing**  
188 **needles, tape measures, and thimbles; and**  
189           **e. Sewing materials that become part of clothing, including but**  
190 **not limited to buttons, fabric, lace, thread, yarn, and zippers;**  
191           **(18) "Clothing accessories and equipment", incidental items worn**  
192 **on the person or in conjunction with clothing. Clothing accessories or**  
193 **equipment are mutually exclusive of clothing, sport or recreational**  
194 **equipment, and protective equipment;**

195           **(19) "Coin-operated telephone service", a telecommunications**  
196 **service paid for by inserting money into a telephone accepting direct**  
197 **deposits of money to operate;**

198           **(20) "Communications channel", a physical or virtual path of**  
199 **communications over which signals are transmitted between or among**  
200 **customer channel termination points;**

201           **(21) "Computer", an electronic device that accepts information in**  
202 **digital or similar form and manipulates it for a result based on a**  
203 **sequence of instructions;**

204           **(22) "Computer software", a set of coded instructions designed to**  
205 **cause a computer or automatic data processing equipment to perform**  
206 **a task. Computer software shall not include specified digital products,**  
207 **digital audio-visual works, digital audio works, or digital books;**

208           **(23) "Conference bridging service", an ancillary service that links**  
209 **two or more participants of an audio or video conference call and may**  
210 **include the provision of a telephone number. Conference bridging**  
211 **service does not include the telecommunications services used to reach**  
212 **the conference bridge;**

213           **(24) "Customer", the person or entity that contracts with the**  
214 **seller of telecommunications services. If the end user of**  
215 **telecommunications services is not the contracting party, the end user**  
216 **of the telecommunications service is the customer of the**  
217 **telecommunication service, but this definition only applies to the**  
218 **purpose of sourcing sales of telecommunications services under section**  
219 **144.114. Customer shall not include a reseller of telecommunications**  
220 **service or for mobile telecommunications service of a serving carrier**  
221 **under an agreement to serve the customer outside the home service**  
222 **provider's licensed service area;**

223           **(25) "Customer channel termination point", the location where**  
224 **the customer either inputs or receives the communication;**

225           **(26) "Delivered electronically", delivered to the purchaser by**  
226 **means other than tangible storage media;**

227           **(27) "Delivery charges", charges by the seller of personal**  
228 **property or services for preparation and delivery to a location**  
229 **designated by the purchaser of personal property or services, including**  
230 **but not limited to transportation, shipping, postage, handling, crating,**  
231 **and packing;**

232           **(28) "Detailed telecommunications billing service", an ancillary**  
233 **service of separately stating information pertaining to individual calls**  
234 **on a customer's billing statement;**

235           **(29) "Dietary supplement", any product, other than tobacco,**  
236 **intended to supplement the diet that contains one or more of the**  
237 **following dietary ingredients: a vitamin; a mineral; an herb or other**  
238 **botanical; an amino acid; a dietary substance for use by humans to**  
239 **supplement the diet by increasing the total dietary intake; or a**  
240 **concentrate, metabolite, constituent, extract, or combination of any**  
241 **ingredient described above; and that is intended for ingestion in tablet,**  
242 **capsule, powder, softgel, gelcap, or liquid form, or if not intended for**  
243 **ingestion in such a form, is not represented as a conventional food and**  
244 **is not represented for use as a sole item of a meal or of the diet; and**  
245 **that is required to be labeled as a dietary supplement, identifiable by**  
246 **the supplemental facts box found on the label and as required under 21**  
247 **CFR Section 101.36;**

248           **(30) "Digital audio works", works that result from the fixation of**  
249 **a series of musical, spoken, or other sounds, including ringtones;**

250           **(31) "Digital audio-visual works", a series of related images**  
251 **which, when shown in succession, impart an impression of motion,**  
252 **together with accompanying sounds, if any;**

253           **(32) "Digital books", works that are generally recognized in the**  
254 **ordinary and usual sense as books;**

255           **(33) "Direct mail", printed material delivered or distributed by**  
256 **United States mail or other delivery service to a mass audience or to**  
257 **addressees on a mailing list provided by the purchaser or at the**  
258 **direction of the purchaser when the cost of the items are not billed**  
259 **directly to the recipients. Direct mail shall include tangible personal**  
260 **property supplied directly or indirectly by the purchaser to the direct**  
261 **mail seller for inclusion in the package containing the printed**  
262 **material. Direct mail shall not include multiple items of printed**  
263 **material delivered to a single address;**

264           **(34) "Directory assistance", an ancillary service of providing**  
265 **telephone number information, and/or address information;**

266           **(35) "Drug":**

267           **(a) A compound, substance, or preparation, and any component**  
268 **of a compound, substance, or preparation, other than food and food**

269 ingredients, dietary supplements, alcoholic beverages, or grooming and  
270 hygiene products:

271 a. Recognized in the official United States Pharmacopoeia,  
272 official Homeopathic Pharmacopoeia of the United States, or official  
273 National Formulary, and supplement to any of them;

274 b. Intended for use in the diagnosis, cure, mitigation, treatment,  
275 or prevention of disease; or

276 c. Intended to affect the structure or any function of the body;

277 (b) Drug shall include insulin and medical oxygen;

278 (36) "Durable medical equipment", equipment including repair  
279 and replacement parts for same, excluding mobility enhancing  
280 equipment. Durable medical equipment:

281 (a) Can withstand repeated use;

282 (b) Is primarily and customarily used to serve a medical purpose;

283 (c) Generally is not useful to a person in the absence of illness  
284 or injury;

285 (d) Is not worn in or on the body;

286 (e) Is for home use;

287 (f) Is within the classification of devices eligible for MO  
288 HealthNet and Medicare reimbursement;

289 (g) Shall not include:

290 a. Kidney dialysis equipment not worn in or on the body,  
291 including repair and replacement parts; and

292 b. Enteral feeding systems not worn in or on the body, including  
293 repair and replacement parts.

294 As used in this subdivision, repair and replacement parts shall include  
295 all components or attachments used in conjunction with the durable  
296 medical equipment;

297 (37) "Electronic", relating to technology having electrical, digital,  
298 magnetic, wireless, optical, electromagnetic, or similar capabilities;

299 (38) "End user", the person who utilizes the telecommunication  
300 service. In case of an entity, "end user" means the individual who  
301 utilizes the service on behalf of the entity;

302 (39) "Energy star qualified product", a product that meets the  
303 energy efficient guidelines set by the United States Environmental  
304 Protection Agency and the United States Department of Energy that are  
305 authorized to carry the Energy Star label. Covered products are those

306 listed at [www.energystar.gov](http://www.energystar.gov) or successor address;

307 (40) "Engages in business activities within this state" includes:

308 (a) Maintaining or having a franchisee or licensee operating  
309 under the seller's trade name in this state if the franchisee or licensee  
310 is required to collect sales tax pursuant to sections 144.010 to 144.525;

311 (b) Soliciting sales or taking orders by sales agents or traveling  
312 representatives;

313 (c) A vendor is presumed to engage in business activities within  
314 this state if any person, other than a common carrier acting in its  
315 capacity as such, that has substantial nexus with this state:

316 a. Sells a similar line of products as the vendor and does so  
317 under the same or a similar business name;

318 b. Maintains an office, distribution facility, warehouse, or  
319 storage place, or similar place of business in the state to facilitate the  
320 delivery of property or services sold by the vendor to the vendor's  
321 customers;

322 c. Delivers, installs, assembles, or performs maintenance services  
323 for the vendor's customers within the state;

324 d. Facilitates the vendor's delivery of property to customers in  
325 the state by allowing the vendor's customers to pick up property sold  
326 by the vendor at an office, distribution facility, warehouse, storage  
327 place, or similar place of business maintained by the person in the  
328 state; or

329 e. Conducts any other activities in the state that are significantly  
330 associated with the vendor's ability to establish and maintain a market  
331 in the state for the sales;

332 (d) The presumption in paragraph (c) may be rebutted by  
333 demonstrating that the person's activities in the state are not  
334 significantly associated with the vendor's ability to establish or  
335 maintain a market in this state for the vendor's sales;

336 (e) Notwithstanding paragraph (c), a vendor shall be presumed  
337 to engage in business activities within this state if the vendor enters  
338 into an agreement with one or more residents of this state under which  
339 the resident, for a commission or other consideration, directly or  
340 indirectly refers potential customers, whether by a link on an internet  
341 website, an in-person oral presentation, telemarketing, or otherwise, to  
342 the vendor, if the cumulative gross receipts from sales by the vendor

343 to customers in the state who are referred to the vendor by all  
344 residents with this type of an agreement with the vendor is in excess  
345 of ten thousand dollars during the preceding twelve months;

346 (f) The presumption in paragraph (e) may be rebutted by  
347 submitting proof that the residents with whom the vendor has an  
348 agreement did not engage in any activity within the state that was  
349 significantly associated with the vendor's ability to establish or  
350 maintain the vendor's market in the state during the preceding twelve  
351 months. Such proof may consist of sworn written statements from all  
352 of the residents with whom the vendor has an agreement stating that  
353 they did not engage in any solicitation in the state on behalf of the  
354 vendor during the preceding year provided that such statements were  
355 provided and obtained in good faith;

356 (41) "Food and food ingredients", substances, whether in liquid,  
357 concentrated, solid, frozen, dried, or dehydrated form, that are sold for  
358 ingestion or chewing by humans and are consumed for their taste or  
359 nutritional value. Food and food ingredients shall not include alcoholic  
360 beverages, tobacco, or dietary supplements;

361 (42) "Food sold through vending machines", food, food  
362 ingredients, prepared food, bottled water, candy, and soft drinks  
363 dispensed from a machine or other mechanical device that accepts  
364 payment;

365 (43) "Grooming and hygiene products", soaps and cleaning  
366 solutions, shampoo, toothpaste, mouthwash, antiperspirants, and  
367 suntan lotions and screens, regardless of whether the items meet the  
368 definition of over-the-counter-drugs;

369 [(4)] (44) "Gross receipts"[,] or "sales price":

370 (a) Except as provided in section 144.012, [means the total amount of the  
371 sale price of the sales at retail including any services other than charges incident  
372 to the extension of credit that are a part of such sales made by the businesses  
373 herein referred to, capable of being valued in money, whether received in money  
374 or otherwise; except that, the term gross receipts shall not include the sale price  
375 of property returned by customers when the full sale price thereof is refunded  
376 either in cash or by credit. In determining any tax due under sections 144.010  
377 to 144.525 on the gross receipts, charges incident to the extension of credit shall  
378 be specifically exempted. For the purposes of sections 144.010 to 144.525 the

379 total amount of the sale price above mentioned shall be deemed to be the amount  
380 received. It shall also include the lease or rental consideration where the right  
381 to continuous possession or use of any article of tangible personal property is  
382 granted under a lease or contract and such transfer of possession would be  
383 taxable if outright sale were made and, in such cases, the same shall be taxable  
384 as if outright sale were made and considered as a sale of such article, and the tax  
385 shall be computed and paid by the lessee upon the rentals paid. The term "gross  
386 receipts" shall not include usual and customary delivery charges that are stated  
387 separately from the sale price] **applies to the measure subject to sales tax**  
388 **and means the total amount of consideration, including cash, credit,**  
389 **property, and services, for which personal property or services are**  
390 **sold, leased, or rented, valued in money, whether received in money or**  
391 **otherwise, without any deduction for the following:**

- 392           a. **The seller's cost of the property sold;**  
393           b. **The cost of materials used, labor or service cost, interest,**  
394 **losses, all costs of transportation to the seller, all taxes imposed on the**  
395 **seller, and any other expense of the seller;**  
396           c. **Charges by the seller for any services necessary to complete**  
397 **the sale, other than delivery and installation charges;**  
398           d. **Delivery charges; and**  
399           e. **Credit for any trade-in;**

400           **(b) Shall not include:**

- 401           a. **Discounts, including cash, term, or coupons that are not**  
402 **reimbursed by a third party that are allowed by a seller and taken by**  
403 **a purchaser on a sale;**

404           b. **Interest, financing, and carrying charges from credit extended**  
405 **on the sale of personal property or services, if the amount is separately**  
406 **stated on the invoice, bill of sale, or similar document given to the**  
407 **purchaser; and**

408           c. **Any taxes legally imposed directly on the consumer that are**  
409 **separately stated on the invoice, bill of sale, or similar document given**  
410 **to the purchaser;**

411           **(c) Shall include consideration received by the seller from third**  
412 **parties if:**

- 413           a. **The seller actually receives consideration from a party other**  
414 **than the purchaser and the consideration is directly related to a price**  
415 **reduction or discount on the sale;**

416           **b. The seller has an obligation to pass the price reduction or**  
417 **discount through to the purchaser;**

418           **c. The amount of the consideration attributable to the sale is**  
419 **fixed and determinable by the seller at the time of the sale of the item**  
420 **to the purchaser; and**

421           **d. One of the following criteria is met:**

422           **(i) The purchaser presents a coupon, certificate or other**  
423 **documentation to the seller to claim a price reduction or discount**  
424 **where the coupon, certificate or documentation is authorized,**  
425 **distributed, or granted by a third party with the understanding that**  
426 **the third party will reimburse any seller to whom the coupon,**  
427 **certificate, or documentation is presented;**

428           **(ii) The purchaser identifies himself or herself to the seller as a**  
429 **member of a group or organization entitled to a price reduction or**  
430 **discount (a preferred customer card that is available to any patron**  
431 **does not constitute membership in such a group); or**

432           **(iii) The price reduction or discount is identified as a third-party**  
433 **price reduction or discount on the invoice received by the purchaser**  
434 **or on a coupon, certificate, or other documentation presented by the**  
435 **purchaser;**

436           **(45) "Home service provider", the same as such term is defined**  
437 **in Section 124(5) of Public Law 106-252, Mobile Telecommunications**  
438 **Sourcing Act;**

439           **(46) "Lease or rental":**

440           **(a) Any transfer of possession or control of tangible personal**  
441 **property for a fixed or indeterminate term for consideration. A lease**  
442 **or rental may include future options to purchase or extend;**

443           **(b) Lease or rental shall not include:**

444           **a. A transfer of possession or control of property under a**  
445 **security agreement or deferred payment plan that requires the transfer**  
446 **of title upon completion of the required payments;**

447           **b. A transfer of possession or control of property under an**  
448 **agreement that requires the transfer of title upon completion of**  
449 **required payments and where any payment of an option price does not**  
450 **exceed the greater of one hundred dollars or one percent of the total**  
451 **required payments;**

452           **c. Providing tangible personal property along with an operator**

453 for a fixed or indeterminate period of time provided that the operator  
454 is necessary for the equipment to perform as designed and the operator  
455 does more than maintain, inspect, or set up the tangible personal  
456 property;

457 (c) Lease or rental includes agreements covering motor vehicles  
458 and trailers where the amount of consideration may be increased or  
459 decreased by reference to the amount realized upon sale or disposition  
460 of the property as defined in 26 U.S.C. Section 7701(h)(1), as amended;

461 (47) "Light aircraft", a light airplane that seats no more than four  
462 persons, with a gross weight of three thousand pounds or less, which  
463 is primarily used for recreational flying or flight training;

464 (48) "Light aircraft kit", factory manufactured light aircraft parts  
465 and components, including engine, propeller, instruments, wheels,  
466 brakes, and air frame parts which make up a complete aircraft kit or  
467 partial kit designed to be assembled into a light aircraft and then  
468 operated by a qualified light aircraft purchaser for recreational and  
469 educational purposes;

470 (49) "Light aircraft parts and components", manufactured light  
471 aircraft parts, including air frame and engine parts, that are required  
472 by the qualified light aircraft purchaser to complete a light aircraft kit,  
473 or spare or replacement parts for an already completed light aircraft;

474 [(5)] (50) "Instructional class", includes any class, lesson, or instruction  
475 intended or used for teaching;

476 [(6)] (51) "Livestock", cattle, calves, sheep, swine, ratite birds, including  
477 but not limited to, ostrich and emu, aquatic products as defined in section  
478 277.024, llamas, alpaca, buffalo, elk documented as obtained from a legal source  
479 and not from the wild, goats, horses, other equine, or rabbits raised in  
480 confinement for human consumption;

481 (52) "Load and leave", delivery to the purchaser by use of a  
482 tangible storage media where the tangible storage media is not  
483 physically transferred to the purchaser;

484 (53) "Maintains a place of business in this state", includes  
485 maintaining, occupying, or using, permanently or temporarily, directly  
486 or indirectly, or through a subsidiary, or agent, by whatever name  
487 called, an office, place of distribution, sales or sample room or place,  
488 warehouse or storage place, or other place of business;

489 (54) "Mobile telecommunications service", the same as such term

490 is defined in Section 124(7) of Public Law 106-252, Mobile  
491 Telecommunications Sourcing Act;

492 (55) "Mobility enhancing equipment", equipment, including repair  
493 and replacement parts to same, which:

494 (a) Is primarily and customarily used to provide or increase the  
495 ability to move from one place to another and which is appropriate for  
496 use either in a home or a motor vehicle; and

497 (b) Is not generally used by persons with normal mobility; and

498 (c) Is within the classification of devices eligible for MO  
499 HealthNet and Medicare reimbursement.

500 Mobility enhancement equipment shall not include durable medical  
501 equipment or any motor vehicle or equipment on a motor vehicle  
502 normally provided by a motor vehicle manufacturer;

503 (56) "Model 1 seller", a seller registered under the agreement that  
504 has selected a certified service provider as its agent to perform all the  
505 seller's sales and use tax functions, other than the seller's obligation to  
506 remit tax on its own purchases;

507 (57) "Model 2 seller", a seller that has selected a certified  
508 automated system (CAS) to perform part of its sales and use tax  
509 functions, but retains responsibility for remitting the tax;

510 (58) "Model 3 seller", a seller registered under the agreement that  
511 has sales in at least five member states, has total annual sales revenue  
512 of at least five hundred million dollars, has a proprietary system that  
513 calculates the amount of tax due each jurisdiction, and has entered into  
514 a performance agreement with the member states that establishes a tax  
515 performance standard for the seller. As used in this subdivision, a  
516 seller shall include an affiliated group of sellers using the same  
517 proprietary system;

518 (59) "Model 4 seller", a seller that is registered under the  
519 agreement and is not a Model 1 Seller, a Model 2 Seller, or a Model 3  
520 Seller;

521 [(7)] (60) "Motor vehicle leasing company" [shall be], a company  
522 obtaining a permit from the director of revenue to operate as a motor vehicle  
523 leasing company. Not all persons renting or leasing trailers or motor vehicles  
524 need to obtain such a permit; however, no person failing to obtain such a permit  
525 may avail itself of the optional tax provisions of subsection 5 of section 144.070,

526 as hereinafter provided;

527           **(61) "Optional computer software maintenance contract", a**  
528 **computer software maintenance contract that a customer is not**  
529 **obligated to purchase as a condition to the retail sale of computer**  
530 **software;**

531           **(62) "Other direct mail", any direct mail that is not advertising**  
532 **and promotional direct mail regardless of whether advertising and**  
533 **promotional direct mail is included in the same mailing. Other direct**  
534 **mail includes, but is not limited to:**

535           **(a) Transactional direct mail that contains personal information**  
536 **specific to the one addressee including, but not limited to, invoices,**  
537 **bills, statements of account, and payroll advices;**

538           **(b) Any legally required mailings including, but not limited to,**  
539 **privacy notices, tax reports, and stockholder reports; and**

540           **(c) Other nonpromotional direct mail delivered to existing or**  
541 **former shareholders, customers, employees, or agents including, but not**  
542 **limited to, newsletters and informational pieces.**

543 **Other direct mail shall not include the development of billing**  
544 **information or the provision or any data processing service that is**  
545 **more than incidental;**

546           **(63) "Over-the-counter-drug", a drug, excluding grooming and**  
547 **hygiene products, that contains a label that identifies the product as a**  
548 **drug as required by 21 CFR Section 201.66 and includes:**

549           **(a) A drug facts panel; or**

550           **(b) A statement of the active ingredients with a list of those**  
551 **ingredients contained in the compound, substance, or preparation;**

552           **[(8)] (64) "Person" includes any individual, firm, copartnership, joint**  
553 **adventure, association, corporation, municipal or private, and whether organized**  
554 **for profit or not, state, county, political subdivision, state department,**  
555 **commission, board, bureau or agency, [except the state transportation**  
556 **department,] estate, trust, business trust, receiver or trustee appointed by the**  
557 **state or federal court, syndicate, or any other group or combination acting as a**  
558 **unit, and the plural as well as the singular number, or any other legal entity;**

559           **(65) "Place of primary use", the street address representative of**  
560 **where the customer's use of the telecommunications service primarily**  
561 **occurs, which must be the residential street address or the primary**  
562 **business street address of the customer. In the case of mobile**

563 telecommunications services, place of primary use must be within the  
564 licensed service area of the home service provider;

565 (66) "Post-paid calling service", the telecommunications service  
566 obtained by making a payment on a call-by-call basis either through the  
567 use of a credit card or payment mechanism such as a bank card, travel  
568 card, credit card, or debit card, or by charge made to a telephone  
569 number which is not associated with the origination or termination of  
570 the telecommunications service. A post-paid calling service includes a  
571 telecommunications service, except a prepaid wireless calling service,  
572 that would be a prepaid calling service except it is not exclusively a  
573 telecommunications service;

574 (67) "Prepaid calling service", the right to access exclusively  
575 telecommunications services, which must be paid for in advance and  
576 which enables the origination of calls using an access number or  
577 authorization code, whether manually or electronically dialed, and that  
578 is sold in predetermined units or dollars of which the number declines  
579 with use in a known amount;

580 (68) "Prepaid wireless calling service", a telecommunications  
581 service that provides the right to utilize mobile wireless services as  
582 well as other nontelecommunications services, including the download  
583 of digital products delivered electronically, content and ancillary  
584 services, which must be paid for in advance and that is sold in  
585 predetermined units or dollars of which the number declines with use  
586 in a known amount;

587 (69) "Prepared food", food sold in a heated state or heated by the  
588 seller; two or more food ingredients mixed or combined by the seller for  
589 sale as a single item; or food sold with eating utensils provided by the  
590 seller, including plates, knives, forks, spoons, glasses, cups, napkins, or  
591 straws. A plate shall not include a container or packaging used to  
592 transport the food. Prepared food shall not include food that is only  
593 cut, repackaged, or pasteurized by the seller and eggs, fish, meat,  
594 poultry, and foods containing these raw animal foods requiring cooking  
595 by the consumer as recommended by the Food and Drug Administration  
596 in Chapter 3, Part 401.11 of the Food Code so as to prevent food borne  
597 illnesses;

598 (70) "Prescription", an order, formula, or recipe issued in any  
599 form of oral, written, electronic, or other means of transmission by a

600 **duly licensed practitioner authorized by the laws of the state;**

601 **(71) "Prewritten computer software", computer software,**  
602 **including prewritten upgrades, which is not designed and developed by**  
603 **the author or other creator to the specifications of a specific**  
604 **purchaser. The combining of two or more prewritten computer**  
605 **software programs or prewritten portions thereof shall not cause the**  
606 **combination to be other than prewritten computer**  
607 **software. Prewritten computer software shall include software**  
608 **designed and developed by the author or other creator to the**  
609 **specifications of a specific purchaser when it is sold to a person other**  
610 **than the specific purchaser. Where a person modifies or enhances**  
611 **computer software of which the person is not the author or creator, the**  
612 **person shall be deemed to be the author or creator only of such**  
613 **person's modifications or enhancements. Prewritten computer software**  
614 **or a prewritten portion thereof that is modified or enhanced to any**  
615 **degree, where such modification or enhancement is designed and**  
616 **developed to the specifications of a specific purchaser, remains**  
617 **prewritten computer software; provided, however, that where there is**  
618 **a reasonable, separately stated charge or an invoice or other statement**  
619 **of the price given to the purchaser for such modification or**  
620 **enhancement, such modification or enhancement shall not constitute**  
621 **prewritten computer software;**

622 **(72) "Private communication service", a telecommunications**  
623 **service that entitles the customer to exclusive or priority use of a**  
624 **communications channel or group of channels between or among**  
625 **termination points, regardless of the manner in which such channel or**  
626 **channels are connected, and includes switching capacity, extension**  
627 **lines, stations, and any other associated services that are provided in**  
628 **connection with the use of such channel or channels;**

629 **(73) "Product-based exemption", an exemption based on the**  
630 **description of the product and not based on who purchases the product**  
631 **or how the purchaser intends to use the product;**

632 **[(9)] (74) "Product which is intended to be sold ultimately for final use**  
633 **or consumption" [means], tangible personal property, or any service that is**  
634 **subject to state or local sales or use taxes, or any tax that is substantially**  
635 **equivalent thereto, in this state or any other state;**

636 **(75) "Prosthetic device", a replacement, corrective, or supportive**

637 **device including repair and replacement parts for same worn on or in**  
638 **the body to artificially replace a missing portion of the body, prevent**  
639 **or correct physical deformity or malfunction, or support a weak or**  
640 **deformed portion of the body. The term "prosthetic device" shall not**  
641 **include corrective eyeglasses or contact lenses;**

642 **(76) "Protective equipment", items for human wear and designed**  
643 **as protection of the wearer against injury or disease or as protections**  
644 **against damage or injury of other persons or property but not suitable**  
645 **for general use. Protective equipment are mutually exclusive of**  
646 **clothing, clothing accessories or equipment, and sport or recreational**  
647 **equipment;**

648 **(77) "Purchase", the acquisition of the ownership of, or title to,**  
649 **tangible personal property, through a sale, as defined herein, for the**  
650 **purpose of storage, use, or consumption in this state;**

651 **(78) "Purchase price", applies to the measure subject to use tax**  
652 **and has the same meaning as sales price;**

653 **[(10)] (79) "Purchaser" [means], a person who purchases tangible**  
654 **personal property or to whom are rendered services, receipts from which are**  
655 **taxable under sections 144.010 to 144.525;**

656 **(80) "Qualified light aircraft purchaser", a purchaser of a light**  
657 **aircraft, light aircraft kit, light aircraft parts, or components who is a**  
658 **nonresident of this state, who will transport the light aircraft, light**  
659 **aircraft kit, light aircraft parts, or components outside this state within**  
660 **ten days after the date of purchase, and who will register any light**  
661 **aircraft so purchased in another state or country. Such purchaser shall**  
662 **not base such aircraft in this state and such purchaser shall not be a**  
663 **resident of the state unless such purchaser has paid sales or use tax on**  
664 **such aircraft in another state;**

665 **(81) "Receive" or "receipt", taking possession of tangible personal**  
666 **property; making first use of services; or taking possession or making**  
667 **first use of digital goods, whichever comes first. Receive and receipt**  
668 **shall not include possession by a shipping company on behalf of the**  
669 **purchaser;**

670 **(82) "Registered under the agreement", registration by a seller**  
671 **with the member states under the central registration system provided**  
672 **in Article IV of the agreement;**

673 [(11)] **(83)** "Research or experimentation activities" [are], the  
674 development of an experimental or pilot model, plant process, formula, invention  
675 or similar property, and the improvement of existing property of such  
676 type. Research or experimentation activities do not include activities such as  
677 ordinary testing or inspection of materials or products for quality control,  
678 efficiency surveys, advertising promotions or research in connection with literary,  
679 historical or similar projects;

680 [(12)] "Sale" or "sales" includes installment and credit sales, and the  
681 exchange of properties as well as the sale thereof for money, every closed  
682 transaction constituting a sale, and means any transfer, exchange or barter,  
683 conditional or otherwise, in any manner or by any means whatsoever, of tangible  
684 personal property for valuable consideration and the rendering, furnishing or  
685 selling for a valuable consideration any of the substances, things and services  
686 herein designated and defined as taxable under the terms of sections 144.010 to  
687 144.525;

688 [(13)] **(84)** "Sale at retail" [means any transfer made by any person  
689 engaged in business as defined herein of the ownership of, or title to, tangible  
690 personal property to the purchaser, for use or consumption and not for resale in  
691 any form as tangible personal property, for a valuable consideration; except that,  
692 for the purposes of sections 144.010 to 144.525 and the tax imposed thereby: (i)  
693 purchases of tangible personal property made by duly licensed physicians,  
694 dentists, optometrists and veterinarians and used in the practice of their  
695 professions shall be deemed to be purchases for use or consumption and not for  
696 resale; and (ii) the selling of computer printouts, computer output or microfilm  
697 or microfiche and computer-assisted photo compositions to a purchaser to enable  
698 the purchaser to obtain for his or her own use the desired information contained  
699 in such computer printouts, computer output on microfilm or microfiche and  
700 computer-assisted photo compositions shall be considered as the sale of a service  
701 and not as the sale of tangible personal property] **or "retail sale", any sale,  
702 lease, or rental for any purpose other than for resale, sublease, or  
703 subrent. Purchases of tangible personal property made by duly  
704 licensed physicians, dentists, optometrists, and veterinarians and used  
705 in the practice of their professions shall be deemed to be purchases for  
706 use or consumption and not for resale.** Where necessary to conform to the  
707 context of sections 144.010 to 144.525 and the tax imposed thereby, the term sale  
708 at retail shall be construed to embrace:

709 (a) Sales of admission tickets, cash admissions, charges and fees to or in  
710 places of amusement, entertainment and recreation, games and athletic events,  
711 except amounts paid for any instructional class;

712 (b) Sales of electricity, electrical current, water and gas, natural or  
713 artificial, to domestic, commercial or industrial consumers;

714 (c) Sales of [local and long distance] telecommunications [service to  
715 telecommunications subscribers] **services** and [to others through equipment of  
716 telecommunications subscribers for the transmission of messages and  
717 conversations,] **ancillary services** and the sale, rental or leasing of all  
718 equipment or services pertaining or incidental thereto;

719 (d) Sales of service for transmission of messages by telegraph companies;

720 (e) Sales or charges for all rooms, meals and drinks furnished at any  
721 hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist  
722 camp, tourist cabin, or other place in which rooms, meals or drinks are regularly  
723 served to the public;

724 (f) Sales of tickets by every person operating a railroad, sleeping car,  
725 dining car, express car, boat, airplane, and such buses and trucks as are licensed  
726 by the division of motor carrier and railroad safety of the department of economic  
727 development of Missouri, engaged in the transportation of persons for hire;

728 **(85) "School art supply":**

729 **(a) An item commonly used by a student in a course of study for**  
730 **artwork. The term is mutually exclusive of the terms school supply,**  
731 **school instructional material, and school computer supply;**

732 **(b) The following is an all-inclusive list:**

733 **a. Clay and glazes;**

734 **b. Paints, acrylic, tempora, and oil;**

735 **c. Paintbrushes for artwork;**

736 **d. Sketch and drawing pads; and**

737 **e. Watercolors;**

738 **(86) "School computer supply":**

739 **(a) An item commonly used by a student in a course of study in**  
740 **which a computer is used. The term is mutually exclusive of the terms**  
741 **school supply, school art supply, and school instructional material;**

742 **(b) The following is an all-inclusive list:**

743 **a. Computer storage media, diskettes, and compact disks;**

744 **b. Handheld electronic schedulers, except devices that are**

745 **cellular phones;**

746 **c. Personal digital assistants, except devices that are cellular**  
747 **phones; and**

748 **d. Computer printers and printer supplies for computers, printer**  
749 **paper, and printer ink;**

750 **(87) "School instructional material":**

751 **(a) Written material commonly used by a student in a course of**  
752 **study as a reference and to learn the subject being taught. The term is**  
753 **mutually exclusive of the terms school supply, school art supply, and**  
754 **school computer supply;**

755 **(b) The following is an all-inclusive list:**

756 **a. Reference books;**

757 **b. Reference maps and globes;**

758 **c. Textbooks; and**

759 **d. Workbooks;**

760 **(88) "School supply":**

761 **(a) An item commonly used by a student in a course of**  
762 **study. The term is mutually exclusive of the terms school art supply,**  
763 **school instructional material, and school computer supply;**

764 **(b) The following is an all-inclusive list:**

765 **a. Binders;**

766 **b. Book bags;**

767 **c. Calculators;**

768 **d. Cellophane tape;**

769 **e. Blackboard chalk;**

770 **f. Compasses;**

771 **g. Composition books;**

772 **h. Crayons;**

773 **i. Erasers;**

774 **j. Folders, expandable, pocket, plastic, and manila;**

775 **k. Glue, paste, and paste sticks;**

776 **l. Highlighters;**

777 **m. Index cards;**

778 **n. Index card boxes;**

779 **o. Legal pads;**

780 **p. Lunch boxes;**

781 **q. Markers;**

782 r. Notebooks;

783 s. Paper, loose leaf notebook paper, copy paper, graph paper,  
784 tracing paper, manila paper, colored paper, poster board, and  
785 construction paper;

786 t. Pencil boxes and other school supply boxes;

787 u. Pencil sharpeners;

788 v. Pencils;

789 w. Pens;

790 x. Protractors;

791 y. Rulers;

792 z. Scissors; and

793 aa. Writing tablets;

794 [(14)] (89) "Seller" [means], a person [selling or furnishing tangible]  
795 making sales, leases, or rentals of personal property or [rendering services,  
796 on the receipts from which a tax is imposed pursuant to section 144.020] service;

797 (90) "Selling agent", every person acting as a representative of a  
798 principal, when such principal is not registered with the director of  
799 revenue of the state of Missouri for the collection of the taxes imposed  
800 under this chapter and who receives compensation by reason of the  
801 sale of tangible personal property of the principal, if such property is  
802 to be stored, used, or consumed in this state;

803 (91) "Service address":

804 (a) The location of the telecommunications equipment to which  
805 a customer's call is charged and from which the call originates or  
806 terminates, regardless of where the call is billed or paid;

807 (b) If the location in paragraph (a) of this subdivision is not  
808 known, "service address" means the origination point of the signal of  
809 the telecommunications services first identified by either the seller's  
810 telecommunications system or in information received by the seller  
811 from its service provider, where the system used to transport such  
812 signals is not that of the seller;

813 (c) If the location in paragraphs (a) and (b) of this subdivision  
814 are not known, the service address shall be the location of the  
815 customer's place of primary use;

816 (92) "Specified digital products", electronically transferred  
817 digital audio-visual works, digital audio works, and digital books;

818 (93) "Sport or recreational equipment", items designed for human

819 use and worn in conjunction with an athletic or recreational activity  
820 that are not suitable for general use. Sport or recreational equipment  
821 are mutually exclusive of clothing, clothing accessories or equipment,  
822 and protective equipment;

823 (94) "State", any state of the United States, the District of  
824 Columbia, and the Commonwealth of Puerto Rico;

825 (95) "Storage", any keeping or retention in this state of tangible  
826 personal property purchased from a vendor, except property for sale  
827 or property that is temporarily kept or retained in this state for  
828 subsequent use outside the state;

829 (96) "Tangible personal property", personal property that can be  
830 seen, weighed, measured, felt, or touched, or that is in any other  
831 manner perceptible to the senses. Tangible personal property shall  
832 include electricity, water, gas, steam, and prewritten computer  
833 software. Tangible personal property shall not include specified digital  
834 products, digital audio-visual works, digital audio works, or digital  
835 books;

836 [(15) The noun "tax" means]

837 (97) "Tax", either the tax payable by the purchaser of a commodity or  
838 service subject to tax, or the aggregate amount of taxes due from the vendor of  
839 such commodities or services during the period for which he or she is required to  
840 report his or her collections, as the context may require; [and]

841 (98) "Taxpayer", any person remitting the tax or who should  
842 remit the tax levied by this chapter;

843 (99) "Telecommunications nonrecurring charges", an amount  
844 billed for the installation, connection, change, or initiation of  
845 telecommunications service received by the customer;

846 [(16)] (100) "Telecommunications service"[, for the purpose of this  
847 chapter, the transmission of information by wire, radio, optical cable, coaxial  
848 cable, electronic impulses, or other similar means. As used in this definition,  
849 "information" means knowledge or intelligence represented by any form of writing,  
850 signs, signals, pictures, sounds, or any other symbols. Telecommunications service  
851 does not include the following if such services are separately stated on the  
852 customer's bill or on records of the seller maintained in the ordinary course of  
853 business:

854 (a) Access to the internet, access to interactive computer services or

855 electronic publishing services, except the amount paid for the telecommunications  
856 service used to provide such access;

857 (b) Answering services and one-way paging services;

858 (c) Private mobile radio services which are not two-way commercial mobile  
859 radio services such as wireless telephone, personal communications services or  
860 enhanced specialized mobile radio services as defined pursuant to federal law; or

861 (d) Cable or satellite television or music services];

862 (a) **The electronic transmission, conveyance, or routing of voice,**  
863 **data, audio, video, or any other information or signals to a point, or**  
864 **between or among points;**

865 (b) **Telecommunications service shall include such transmission,**  
866 **conveyance, or routing in which computer processing applications are**  
867 **used to act on the form, code, or protocol of the content for purposes**  
868 **of transmission, conveyance, or routing without regard to whether such**  
869 **service is referred to as voice over internet protocol services or is**  
870 **classified by the Federal Communications Commission as enhanced or**  
871 **value added;**

872 (c) **Telecommunications service shall include air-to-ground**  
873 **radiotelephone service, mobile telecommunications service, post-paid**  
874 **calling service, prepaid calling service, prepaid wireless calling service,**  
875 **and private communication service;**

876 (d) **Telecommunications service shall not include:**

877 a. **Data processing and information services that allow data to**  
878 **be generated, acquired, stored, processed, or retrieved and delivered**  
879 **by an electronic transmission to a purchaser where such purchaser's**  
880 **primary purpose for the underlying transaction is the processed data**  
881 **or information;**

882 b. **Installation or maintenance of wiring or equipment on a**  
883 **customer's premises;**

884 c. **Tangible personal property;**

885 d. **Advertising, including but not limited to directory advertising;**

886 e. **Billing and collection services provided to third parties;**

887 f. **Internet access service;**

888 g. **Radio and television audio and video programming services,**  
889 **regardless of the medium, including the furnishing of transmission,**  
890 **conveyance, and routing of such services by the programming service**

891 provider. Radio and television audio and video programming services  
892 shall include, but not be limited to, cable service, as defined in 47  
893 U.S.C. Section 522(6), and audio and video programming services  
894 delivered by commercial mobile radio service providers, as defined in  
895 47 CFR 20.3;

896 h. Ancillary services; or

897 i. Digital products delivered electronically, including, but not  
898 limited to, software, music, video, reading materials, or ring tones;

899 (101) "Transportation equipment", any of the following:

900 (a) Locomotives and railcars that are utilized for the carriage of  
901 persons or property in interstate commerce;

902 (b) Trucks and truck-tractors with a gross vehicle weight rating  
903 (GVWR) of ten thousand one pounds or greater, trailers, semi-trailers,  
904 or passenger buses that are:

905 a. Registered through the International Registration Plan; and

906 b. Operated under authority of a carrier authorized and  
907 certificated by the United States Department of Transportation or  
908 another federal authority to engage in the carriage of persons or  
909 property in interstate commerce;

910 (c) Aircraft that are operated by air carriers authorized and  
911 certificated by the United States Department of Transportation or  
912 another federal or a foreign authority to engage in the carriage of  
913 persons or property in interstate or foreign commerce;

914 (d) Containers designed for use on and component parts attached  
915 or secured on the items set forth in paragraphs (a) to (c) of this  
916 subdivision;

917 (102) "Tobacco", cigarettes, cigars, chewing or pipe tobacco, or  
918 any other item that contains tobacco;

919 (103) "Use", the exercise of any right or power over tangible  
920 personal property incident to the ownership or control of that  
921 property, except that it does not include the temporary storage of  
922 property in this state for subsequent use outside the state, or the sale  
923 of the property in the regular course of business;

924 (104) "Use-based exemption", an exemption based on a specified  
925 use of the product by the purchaser;

926 (105) "Vendor", every person engaged in making sales of tangible  
927 personal property by mail order, by advertising, by agent or peddling

928 **tangible personal property, soliciting or taking orders for sales of**  
929 **tangible personal property, for storage, use or consumption in this**  
930 **state, all salesmen, solicitors, hawkers, representatives, consignees,**  
931 **peddlers or canvassers, as agents of the dealers, distributors,**  
932 **consignors, supervisors, principals or employers under whom they**  
933 **operate or from whom they obtain the tangible personal property sold**  
934 **by them, and every person who maintains a place of business in this**  
935 **state, maintains a stock of goods in this state, or engages in business**  
936 **activities within this state and every person who engages in this state**  
937 **in the business of acting as a selling agent for persons not otherwise**  
938 **vendors as defined in this subdivision. Irrespective of whether they are**  
939 **making sales on their own behalf or on behalf of the dealers,**  
940 **distributors, consignors, supervisors, principals, or employers, they**  
941 **must be regarded as vendors and the dealers, distributors, consignors,**  
942 **supervisors, principals, or employers must be regarded as vendors for**  
943 **the purposes of sections 144.600 to 144.745.**

944         2. For purposes of the taxes imposed under sections 144.010 to 144.525,  
945 and any other provisions of law pertaining to sales or use taxes which incorporate  
946 the provisions of sections 144.010 to 144.525 by reference, the term manufactured  
947 homes shall have the same meaning given it in section 700.010.

948         [3. Sections 144.010 to 144.525 may be known and quoted as the "Sales  
949 Tax Law".]

144.011. 1. For purposes of sections 144.010 to 144.525 and 144.600 to  
2 144.748, and the taxes imposed thereby, the definition of "retail sale" or "sale at  
3 retail" shall not be construed to include any of the following:

4         (1) The transfer by one corporation of substantially all of its tangible  
5 personal property to another corporation pursuant to a merger or consolidation  
6 effected under the laws of the state of Missouri or any other jurisdiction;

7         (2) The transfer of tangible personal property incident to the liquidation  
8 or cessation of a taxpayer's trade or business, conducted in proprietorship,  
9 partnership or corporate form, except to the extent any transfer is made in the  
10 ordinary course of the taxpayer's trade or business;

11         (3) The transfer of tangible personal property to a corporation solely in  
12 exchange for its stock or securities;

13         (4) The transfer of tangible personal property to a corporation by a  
14 shareholder as a contribution to the capital of the transferee corporation;

15 (5) The transfer of tangible personal property to a partnership solely in  
16 exchange for a partnership interest therein;

17 (6) The transfer of tangible personal property by a partner as a  
18 contribution to the capital of the transferee partnership;

19 (7) The transfer of tangible personal property by a corporation to one or  
20 more of its shareholders as a dividend, return of capital, distribution in the  
21 partial or complete liquidation of the corporation or distribution in redemption  
22 of the shareholder's interest therein;

23 (8) The transfer of tangible personal property by a partnership to one or  
24 more of its partners as a current distribution, return of capital or distribution in  
25 the partial or complete liquidation of the partnership or of the partner's interest  
26 therein;

27 (9) The transfer of reusable containers used in connection with the sale  
28 of tangible personal property contained therein for which a deposit is required  
29 and refunded on return;

30 (10) The purchase by persons operating eating or food service  
31 establishments, of items of a nonreusable nature which are furnished to the  
32 customers of such establishments with or in conjunction with the retail sales of  
33 their food or beverage. Such items shall include, but not be limited to, wrapping  
34 or packaging materials and nonreusable paper, wood, plastic and aluminum  
35 articles such as containers, trays, napkins, dishes, silverware, cups, bags, boxes,  
36 straws, sticks and toothpicks;

37 (11) The purchase by persons operating hotels, motels or other transient  
38 accommodation establishments, of items of a nonreusable nature which are  
39 furnished to the guests in the guests' rooms of such establishments and such  
40 items are included in the charge made for such accommodations. Such items  
41 shall include, but not be limited to, soap, shampoo, tissue and other toiletries and  
42 food or confectionery items offered to the guests without charge;

43 (12) The transfer of a manufactured home other than:

44 (a) A transfer which involves the delivery of the document known as the  
45 "Manufacturer's Statement of Origin" to a person other than a manufactured  
46 home dealer, as defined in section 700.010, for purposes of allowing such person  
47 to obtain a title to the manufactured home from the department of revenue of this  
48 state or the appropriate agency or officer of any other state;

49 (b) A transfer which involves the delivery of a "Repossessed Title" to a  
50 resident of this state if the tax imposed by sections 144.010 to 144.525 was not

51 paid on the transfer of the manufactured home described in paragraph (a) of this  
52 subdivision;

53 (c) The first transfer which occurs after December 31, 1985, if the tax  
54 imposed by sections 144.010 to 144.525 was not paid on any transfer of the same  
55 manufactured home which occurred before December 31, 1985; or

56 (13) Charges for initiation fees or dues to:

57 (a) Fraternal beneficiaries societies, or domestic fraternal societies, orders  
58 or associations operating under the lodge system a substantial part of the  
59 activities of which are devoted to religious, charitable, scientific, literary,  
60 educational or fraternal purposes; [or]

61 (b) Posts or organizations of past or present members of the Armed Forces  
62 of the United States or an auxiliary unit or society of, or a trust or foundation for,  
63 any such post or organization substantially all of the members of which are past  
64 or present members of the Armed Forces of the United States or who are cadets,  
65 spouses, widows, or widowers of past or present members of the Armed Forces of  
66 the United States, no part of the net earnings of which inures to the benefit of  
67 any private shareholder or individual; or

68 (c) **Nonprofit organizations exempt from taxation under Section**  
69 **501(c)(7) of the Internal Revenue Code of 1986, as amended.**

70 2. The assumption of liabilities of the transferor by the transferee incident  
71 to any of the transactions enumerated in the above subdivisions (1) to (8) of  
72 subsection 1 of this section shall not disqualify the transfer from the exclusion  
73 described in this section, where such liability assumption is related to the  
74 property transferred and where the assumption does not have as its principal  
75 purpose the avoidance of Missouri sales or use tax.

144.014. 1. Notwithstanding other provisions of law to the contrary,  
2 beginning October 1, 1997, the tax levied and imposed pursuant to sections  
3 144.010 to 144.525 and sections 144.600 to 144.746 on all retail sales of food,  
4 **food sold through vending machines, and food ingredients** shall be at the  
5 rate of one percent. The revenue derived from the one percent rate pursuant to  
6 this section shall be deposited by the state treasurer in the school district trust  
7 fund and shall be distributed as provided in section 144.701.

8 2. [For the purposes of this section, the term "food" shall include only  
9 those products and types of food for which food stamps may be redeemed  
10 pursuant to the provisions of the Federal Food Stamp Program as contained in  
11 7 U.S.C. Section 2012, as that section now reads or as it may be amended

12 hereafter, and shall include food dispensed by or through vending machines. For  
13 the purpose of this section,] Except for **food sold through** vending [machine  
14 sales, the term "food"] **machines, subsection 1 of this section** shall not  
15 [include] **apply to** food or drink sold by any establishment where the gross  
16 receipts derived from the sale of food prepared by such establishment for  
17 immediate consumption on or off the premises of the establishment constitutes  
18 more than eighty percent of the total gross receipts of that establishment,  
19 regardless of whether such prepared food is consumed on the premises of that  
20 establishment, including, but not limited to, sales of food by any restaurant, fast  
21 food restaurant, delicatessen, eating house, or café.

144.020. 1. A tax is hereby levied and imposed for the privilege of titling  
2 new and used motor vehicles, trailers, boats, and outboard motors purchased or  
3 acquired for use on the highways or waters of this state which are required to be  
4 titled under the laws of the state of Missouri and, except as provided in  
5 subdivision (9) of this subsection, upon all sellers for the privilege of engaging in  
6 the business of selling tangible personal property or rendering taxable service at  
7 retail in this state. The rate of tax shall be as follows:

8 (1) Upon every retail sale in this state of tangible personal property,  
9 excluding motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and  
10 outboard motors required to be titled under the laws of the state of Missouri and  
11 subject to tax under subdivision (9) of this subsection, a tax equivalent to four  
12 percent of the purchase price paid or charged, or in case such sale involves the  
13 exchange of property, a tax equivalent to four percent of the consideration paid  
14 or charged, including the fair market value of the property exchanged at the time  
15 and place of the exchange, except as otherwise provided in section 144.025;

16 (2) A tax equivalent to four percent of the amount paid for admission and  
17 seating accommodations, or fees paid to, or in any place of amusement,  
18 entertainment or recreation, games and athletic events, except amounts paid for  
19 any instructional class;

20 (3) A tax equivalent to four percent of the basic rate paid or charged on  
21 all sales of electricity or electrical current, water and gas, natural or artificial, to  
22 domestic, commercial or industrial consumers;

23 (4) A tax equivalent to four percent on the basic rate paid or charged on  
24 all sales of [local and long distance] telecommunications service to  
25 telecommunications subscribers and to others through equipment of  
26 telecommunications subscribers for the transmission of messages and

27 conversations, **upon ancillary services** and upon the sale, rental or leasing of  
28 all equipment or services pertaining or incidental thereto; except that, the  
29 payment made by telecommunications subscribers or others, pursuant to section  
30 144.060, and any amounts paid for access to the internet or interactive computer  
31 services shall not be considered as amounts paid for telecommunications services;

32 (5) A tax equivalent to four percent of the basic rate paid or charged for  
33 all sales of services for transmission of messages of telegraph companies;

34 (6) A tax equivalent to four percent on the amount of sales or charges for  
35 all rooms, meals and drinks furnished at any hotel, motel, tavern, inn,  
36 restaurant, eating house, drugstore, dining car, tourist cabin, tourist camp or  
37 other place in which rooms, meals or drinks are regularly served to the  
38 public. The tax imposed under this subdivision shall not apply to any automatic  
39 mandatory gratuity for a large group imposed by a restaurant when such gratuity  
40 is reported as employee tip income and the restaurant withholds income tax  
41 under section 143.191 on such gratuity;

42 (7) A tax equivalent to four percent of the amount paid or charged for  
43 intrastate tickets by every person operating a railroad, sleeping car, dining car,  
44 express car, boat, airplane and such buses and trucks as are licensed by the  
45 division of motor carrier and railroad safety of the department of economic  
46 development of Missouri, engaged in the transportation of persons for hire;

47 (8) A tax equivalent to four percent of the amount paid or charged for  
48 rental or lease of tangible personal property, provided that if the lessor or renter  
49 of any tangible personal property had previously purchased the property under  
50 the conditions of sale at retail or leased or rented the property and the tax was  
51 paid at the time of purchase, lease or rental, the lessor, sublessor, renter or  
52 subrenter shall not apply or collect the tax on the subsequent lease, sublease,  
53 rental or subrental receipts from that property. The purchase, rental or lease of  
54 motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats, and outboard  
55 motors shall be taxed and the tax paid as provided in this section and section  
56 144.070. In no event shall the rental or lease of boats and outboard motors be  
57 considered a sale, charge, or fee to, for or in places of amusement, entertainment  
58 or recreation nor shall any such rental or lease be subject to any tax imposed to,  
59 for, or in such places of amusement, entertainment or recreation. Rental and  
60 leased boats or outboard motors shall be taxed under the provisions of the sales  
61 tax laws as provided under such laws for motor vehicles and trailers. Tangible  
62 personal property which is exempt from the sales or use tax under section

63 144.030 upon a sale thereof is likewise exempt from the sales or use tax upon the  
64 lease or rental thereof;

65 (9) A tax equivalent to four percent of the purchase price, as defined in  
66 section 144.070, of new and used motor vehicles, trailers, boats, and outboard  
67 motors purchased or acquired for use on the highways or waters of this state  
68 which are required to be registered under the laws of the state of Missouri. This  
69 tax is imposed on the person titling such property, and shall be paid according  
70 to the procedures in section 144.440.

71 2. All tickets sold which are sold under the provisions of sections 144.010  
72 to 144.525 which are subject to the sales tax shall have printed, stamped or  
73 otherwise endorsed thereon, the words "This ticket is subject to a sales tax."

**144.022. 1. In the case of a bundled transaction that includes any  
2 of the following: telecommunication service, ancillary service, internet  
3 access, or audio or video programming service:**

4 (1) **If the price is attributable to products that are taxable and  
5 products that are nontaxable, the portion of the price attributable to  
6 the nontaxable products may be subject to tax unless the provider can  
7 identify by reasonable and verifiable standards such portion from its  
8 books and records that are kept in the regular course of business for  
9 other purposes, including, but not limited to, nontax purposes;**

10 (2) **If the price is attributable to products that are subject to tax  
11 at different tax rates, the total price shall be treated as attributable to  
12 the products subject to tax at the highest tax rate unless the provider  
13 can identify by reasonable and verifiable standards the portion of the  
14 price attributable to the products subject to tax at the lower rate from  
15 its books and records that are kept in the regular course of business for  
16 other purposes, including, but not limited to, nontax purposes;**

17 (3) **The provisions of this section shall apply unless otherwise  
18 provided by federal law.**

19 2. **In the case of a transaction that includes an optional computer  
20 software maintenance contract for prewritten computer software, the  
21 following provisions apply:**

22 (1) **If an optional computer software maintenance contract only  
23 obligates the vendor to provide upgrades and updates, it shall be  
24 characterized as a sale of prewritten computer software;**

25 (2) **If an optional computer software maintenance contract only  
26 obligates the vendor to provide support services, it shall be**

27 characterized as a sale of services and not a sale of tangible personal  
28 property;

29 (3) If an optional computer software maintenance contract is a  
30 bundled transaction in which both taxable and nontaxable or exempt  
31 products that are not separately itemized on the invoice or similar  
32 billing document, the purchase price under the contract shall be  
33 taxable.

144.030. 1. There is hereby specifically exempted from the provisions of  
2 sections 144.010 to 144.525 and from the computation of the tax levied, assessed  
3 or payable pursuant to sections 144.010 to 144.525 such retail sales as may be  
4 made in commerce between this state and any other state of the United States,  
5 or between this state and any foreign country, and any retail sale which the state  
6 of Missouri is prohibited from taxing pursuant to the Constitution or laws of the  
7 United States of America, and such retail sales of tangible personal property  
8 which the general assembly of the state of Missouri is prohibited from taxing or  
9 further taxing by the constitution of this state.

10 2. There are also specifically exempted from the provisions of the local  
11 sales tax law as defined in section 32.085, section 238.235, and sections 144.010  
12 to 144.525 and 144.600 to 144.761 and from the computation of the tax levied,  
13 assessed or payable pursuant to the local sales tax law as defined in section  
14 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.745:

15 (1) Motor fuel or special fuel subject to an excise tax of this state, unless  
16 all or part of such excise tax is refunded pursuant to section 142.824; or upon the  
17 sale at retail of fuel to be consumed in manufacturing or creating gas, power,  
18 steam, electrical current or in furnishing water to be sold ultimately at retail; or  
19 feed for livestock or poultry; or grain to be converted into foodstuffs which are to  
20 be sold ultimately in processed form at retail; or seed, limestone or fertilizer  
21 which is to be used for seeding, liming or fertilizing crops which when harvested  
22 will be sold at retail or will be fed to livestock or poultry to be sold ultimately in  
23 processed form at retail; economic poisons registered pursuant to the provisions  
24 of the Missouri pesticide registration law (sections 281.220 to 281.310) which are  
25 to be used in connection with the growth or production of crops, fruit trees or  
26 orchards applied before, during, or after planting, the crop of which when  
27 harvested will be sold at retail or will be converted into foodstuffs which are to  
28 be sold ultimately in processed form at retail;

29 (2) Materials, manufactured goods, machinery and parts which when used

30 in manufacturing, processing, compounding, mining, producing or fabricating  
31 become a component part or ingredient of the new personal property resulting  
32 from such manufacturing, processing, compounding, mining, producing or  
33 fabricating and which new personal property is intended to be sold ultimately for  
34 final use or consumption; and materials, including without limitation, gases and  
35 manufactured goods, including without limitation slagging materials and  
36 firebrick, which are ultimately consumed in the manufacturing process by  
37 blending, reacting or interacting with or by becoming, in whole or in part,  
38 component parts or ingredients of steel products intended to be sold ultimately  
39 for final use or consumption;

40 (3) Materials, replacement parts and equipment purchased for use directly  
41 upon, and for the repair and maintenance or manufacture of, motor vehicles,  
42 watercraft, railroad rolling stock or aircraft engaged as common carriers of  
43 persons or property;

44 (4) Motor vehicles registered in excess of fifty-four thousand pounds, and  
45 the trailers pulled by such motor vehicles, that are actually used in the normal  
46 course of business to haul property on the public highways of the state, and that  
47 are capable of hauling loads commensurate with the motor vehicle's registered  
48 weight; and the materials, replacement parts, and equipment purchased for use  
49 directly upon, and for the repair and maintenance or manufacture of such  
50 vehicles. For purposes of this subdivision, motor vehicle and public highway shall  
51 have the meaning as ascribed in section 390.020;

52 (5) Replacement machinery, equipment, and parts and the materials and  
53 supplies solely required for the installation or construction of such replacement  
54 machinery, equipment, and parts, used directly in manufacturing, mining,  
55 fabricating or producing a product which is intended to be sold ultimately for  
56 final use or consumption; and machinery and equipment, and the materials and  
57 supplies required solely for the operation, installation or construction of such  
58 machinery and equipment, purchased and used to establish new, or to replace or  
59 expand existing, material recovery processing plants in this state. For the  
60 purposes of this subdivision, a "material recovery processing plant" means a  
61 facility that has as its primary purpose the recovery of materials into a usable  
62 product or a different form which is used in producing a new product and shall  
63 include a facility or equipment which are used exclusively for the collection of  
64 recovered materials for delivery to a material recovery processing plant but shall  
65 not include motor vehicles used on highways. For purposes of this section, the

66 terms motor vehicle and highway shall have the same meaning pursuant to  
67 section 301.010. Material recovery is not the reuse of materials within a  
68 manufacturing process or the use of a product previously recovered. The material  
69 recovery processing plant shall qualify under the provisions of this section  
70 regardless of ownership of the material being recovered;

71 (6) Machinery and equipment, and parts and the materials and supplies  
72 solely required for the installation or construction of such machinery and  
73 equipment, purchased and used to establish new or to expand existing  
74 manufacturing, mining or fabricating plants in the state if such machinery and  
75 equipment is used directly in manufacturing, mining or fabricating a product  
76 which is intended to be sold ultimately for final use or consumption;

77 (7) Tangible personal property which is used exclusively in the  
78 manufacturing, processing, modification or assembling of products sold to the  
79 United States government or to any agency of the United States government;

80 (8) Animals or poultry used for breeding or feeding purposes, or captive  
81 wildlife;

82 (9) Newsprint, ink, computers, photosensitive paper and film, toner,  
83 printing plates and other machinery, equipment, replacement parts and supplies  
84 used in producing newspapers published for dissemination of news to the general  
85 public;

86 (10) The rentals of films, records or any type of sound or picture  
87 transcriptions for public commercial display;

88 (11) Pumping machinery and equipment used to propel products delivered  
89 by pipelines engaged as common carriers;

90 (12) Railroad rolling stock for use in transporting persons or property in  
91 interstate commerce and motor vehicles licensed for a gross weight of twenty-four  
92 thousand pounds or more or trailers used by common carriers, as defined in  
93 section 390.020, in the transportation of persons or property;

94 (13) Electrical energy used in the actual primary manufacture, processing,  
95 compounding, mining or producing of a product, or electrical energy used in the  
96 actual secondary processing or fabricating of the product, or a material recovery  
97 processing plant as defined in subdivision (5) of this subsection, in facilities  
98 owned or leased by the taxpayer, if the total cost of electrical energy so used  
99 exceeds ten percent of the total cost of production, either primary or secondary,  
100 exclusive of the cost of electrical energy so used or if the raw materials used in  
101 such processing contain at least twenty-five percent recovered materials as

102 defined in section 260.200. There shall be a rebuttable presumption that the raw  
103 materials used in the primary manufacture of automobiles contain at least  
104 twenty-five percent recovered materials. For purposes of this subdivision,  
105 "processing" means any mode of treatment, act or series of acts performed upon  
106 materials to transform and reduce them to a different state or thing, including  
107 treatment necessary to maintain or preserve such processing by the producer at  
108 the production facility;

109 (14) Anodes which are used or consumed in manufacturing, processing,  
110 compounding, mining, producing or fabricating and which have a useful life of  
111 less than one year;

112 (15) Machinery, equipment, appliances and devices purchased or leased  
113 and used solely for the purpose of preventing, abating or monitoring air pollution,  
114 and materials and supplies solely required for the installation, construction or  
115 reconstruction of such machinery, equipment, appliances and devices;

116 (16) Machinery, equipment, appliances and devices purchased or leased  
117 and used solely for the purpose of preventing, abating or monitoring water  
118 pollution, and materials and supplies solely required for the installation,  
119 construction or reconstruction of such machinery, equipment, appliances and  
120 devices;

121 (17) Tangible personal property purchased by a rural water district;

122 (18) All amounts paid or charged for admission or participation or other  
123 fees paid by or other charges to individuals in or for any place of amusement,  
124 entertainment or recreation, games or athletic events, including museums, fairs,  
125 zoos and planetariums, owned or operated by a municipality or other political  
126 subdivision where all the proceeds derived therefrom benefit the municipality or  
127 other political subdivision and do not inure to any private person, firm, or  
128 corporation, provided, however, that a municipality or other political subdivision  
129 may enter into revenue-sharing agreements with private persons, firms, or  
130 corporations providing goods or services, including management services, in or for  
131 the place of amusement, entertainment or recreation, games or athletic events,  
132 and provided further that nothing in this subdivision shall exempt from tax any  
133 amounts retained by any private person, firm, or corporation under such  
134 revenue-sharing agreement;

135 (19) All sales of [insulin, and all sales, rentals, repairs, and parts of  
136 durable medical equipment, prosthetic devices, and orthopedic devices as defined  
137 on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of

138 the Social Security Act of 1965, including the items specified in Section  
139 1862(a)(12) of that act, and also specifically including hearing aids and hearing  
140 aid supplies and all sales of drugs which may be legally dispensed by a licensed  
141 pharmacist only upon a lawful prescription of a practitioner licensed to  
142 administer those items, including samples and materials used to manufacture  
143 samples which may be dispensed by a practitioner authorized to dispense such  
144 samples and all sales or rental of medical oxygen, home respiratory equipment  
145 and accessories including parts, and hospital beds and accessories and  
146 ambulatory aids including parts, and all sales or rental of manual and powered  
147 wheelchairs including parts, and stairway lifts, Braille writers, electronic Braille  
148 equipment and, if purchased or rented by or on behalf of a person with one or  
149 more physical or mental disabilities to enable them to function more  
150 independently, all sales or rental of scooters including parts, and reading  
151 machines, electronic print enlargers and magnifiers, electronic alternative and  
152 augmentative communication devices, and items used solely to modify motor  
153 vehicles to permit the use of such motor vehicles by individuals with disabilities  
154 or sales of] over-the-counter [or nonprescription] drugs to individuals with  
155 disabilities, **and all sales of drugs, including prescriptions, durable**  
156 **medical equipment, prosthetic devices, mobility enhancing equipment,**  
157 **kidney dialysis equipment, and enteral feeding systems,** and drugs  
158 required by the Food and Drug Administration to meet the over-the-counter drug  
159 product labeling requirements in 21 CFR 201.66, or its successor, as prescribed  
160 by a health care practitioner licensed to prescribe;

161 (20) All sales made by or to religious and charitable organizations and  
162 institutions in their religious, charitable or educational functions and activities  
163 and all sales made by or to all elementary and secondary schools operated at  
164 public expense in their educational functions and activities;

165 (21) All sales of aircraft to common carriers for storage or for use in  
166 interstate commerce and all sales made by or to not-for-profit civic, social, service  
167 or fraternal organizations, including fraternal organizations which have been  
168 declared tax-exempt organizations pursuant to Section 501(c)(8) or (10) of the  
169 1986 Internal Revenue Code, as amended, in their civic or charitable functions  
170 and activities and all sales made to eleemosynary and penal institutions and  
171 industries of the state, and all sales made to any private not-for-profit institution  
172 of higher education not otherwise excluded pursuant to subdivision (20) of this  
173 subsection or any institution of higher education supported by public funds, and

174 all sales made to a state relief agency in the exercise of relief functions and  
175 activities;

176 (22) All ticket sales made by benevolent, scientific and educational  
177 associations which are formed to foster, encourage, and promote progress and  
178 improvement in the science of agriculture and in the raising and breeding of  
179 animals, and by nonprofit summer theater organizations if such organizations are  
180 exempt from federal tax pursuant to the provisions of the Internal Revenue Code  
181 and all admission charges and entry fees to the Missouri state fair or any fair  
182 conducted by a county agricultural and mechanical society organized and  
183 operated pursuant to sections 262.290 to 262.530;

184 (23) All sales made to any private not-for-profit elementary or secondary  
185 school, all sales of feed additives, medications or vaccines administered to  
186 livestock or poultry in the production of food or fiber, all sales of pesticides used  
187 in the production of crops, livestock or poultry for food or fiber, all sales of  
188 bedding used in the production of livestock or poultry for food or fiber, all sales  
189 of propane or natural gas, electricity or diesel fuel used exclusively for drying  
190 agricultural crops, natural gas used in the primary manufacture or processing of  
191 fuel ethanol as defined in section 142.028, natural gas, propane, and electricity  
192 used by an eligible new generation cooperative or an eligible new generation  
193 processing entity as defined in section 348.432, and all sales of farm machinery  
194 and equipment, other than airplanes, motor vehicles and trailers, and any freight  
195 charges on any exempt item. As used in this subdivision, the term "feed  
196 additives" means tangible personal property which, when mixed with feed for  
197 livestock or poultry, is to be used in the feeding of livestock or poultry. As used  
198 in this subdivision, the term "pesticides" includes adjuvants such as crop oils,  
199 surfactants, wetting agents and other assorted pesticide carriers used to improve  
200 or enhance the effect of a pesticide and the foam used to mark the application of  
201 pesticides and herbicides for the production of crops, livestock or poultry. As  
202 used in this subdivision, the term "farm machinery and equipment" means new  
203 or used farm tractors and such other new or used farm machinery and equipment  
204 and repair or replacement parts thereon and any accessories for and upgrades to  
205 such farm machinery and equipment, rotary mowers used exclusively for  
206 agricultural purposes, and supplies and lubricants used exclusively, solely, and  
207 directly for producing crops, raising and feeding livestock, fish, poultry,  
208 pheasants, chukar, quail, or for producing milk for ultimate sale at retail,  
209 including field drain tile, and one-half of each purchaser's purchase of diesel fuel

210 therefor which is:

211 (a) Used exclusively for agricultural purposes;

212 (b) Used on land owned or leased for the purpose of producing farm  
213 products; and

214 (c) Used directly in producing farm products to be sold ultimately in  
215 processed form or otherwise at retail or in producing farm products to be fed to  
216 livestock or poultry to be sold ultimately in processed form at retail;

217 (24) Except as otherwise provided in section 144.032, all sales of metered  
218 water service, electricity, [electrical current, natural, artificial or propane gas,  
219 wood, coal or home heating oil] **piped natural or artificial gas, or other**  
220 **fuels delivered by the seller** for domestic use and in any city not within a  
221 county, all sales of metered or unmetered water service for domestic use:

222 (a) "Domestic use" means that portion of metered water service,  
223 electricity, [electrical current, natural, artificial or propane gas, wood, coal or  
224 home heating oil,] **piped natural or artificial gas, or other fuels delivered**  
225 **by the seller** and in any city not within a county, metered or unmetered water  
226 service, which an individual occupant of a residential premises uses for  
227 nonbusiness, noncommercial or nonindustrial purposes. Utility service through  
228 a single or master meter for residential apartments or condominiums, including  
229 service for common areas and facilities and vacant units, shall be deemed to be  
230 for domestic use. Each seller shall establish and maintain a system whereby  
231 individual purchases are determined as exempt or nonexempt;

232 (b) Regulated utility sellers shall determine whether individual purchases  
233 are exempt or nonexempt based upon the seller's utility service rate  
234 classifications as contained in tariffs on file with and approved by the Missouri  
235 public service commission. Sales and purchases made pursuant to the rate  
236 classification "residential" and sales to and purchases made by or on behalf of the  
237 occupants of residential apartments or condominiums through a single or master  
238 meter, including service for common areas and facilities and vacant units, shall  
239 be considered as sales made for domestic use and such sales shall be exempt from  
240 sales tax. Sellers shall charge sales tax upon the entire amount of purchases  
241 classified as nondomestic use. The seller's utility service rate classification and  
242 the provision of service thereunder shall be conclusive as to whether or not the  
243 utility must charge sales tax;

244 (c) Each person making domestic use purchases of [services or property]  
245 **electricity, piped natural or artificial gas, or other fuels delivered by**

246 **the seller** and who uses any portion of the services or property so purchased for  
247 a nondomestic use shall, by the fifteenth day of the fourth month following the  
248 year of purchase, and without assessment, notice or demand, file a return and  
249 pay sales tax on that portion of nondomestic purchases. Each person making  
250 nondomestic purchases of [services or property] **electricity, piped natural or**  
251 **artificial gas, or other fuels delivered by the seller** and who uses any  
252 portion of the [services or property] **electricity, piped natural or artificial**  
253 **gas, or other fuels delivered by the seller** so purchased for domestic use,  
254 and each person making domestic purchases on behalf of occupants of residential  
255 apartments or condominiums through a single or master meter, including service  
256 for common areas and facilities and vacant units, under a nonresidential utility  
257 service rate classification may, between the first day of the first month and the  
258 fifteenth day of the fourth month following the year of purchase, apply for credit  
259 or refund to the director of revenue and the director shall give credit or make  
260 refund for taxes paid on the domestic use portion of the purchase. The person  
261 making such purchases on behalf of occupants of residential apartments or  
262 condominiums shall have standing to apply to the director of revenue for such  
263 credit or refund;

264 (25) All sales of handicraft items made by the seller or the seller's spouse  
265 if the seller or the seller's spouse is at least sixty-five years of age, and if the total  
266 gross proceeds from such sales do not constitute a majority of the annual gross  
267 income of the seller;

268 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041,  
269 [4061,] 4071, 4081, [4091,] 4161, 4181, 4251, 4261 and 4271 of Title 26, United  
270 States Code. The director of revenue shall promulgate rules pursuant to chapter  
271 536 to eliminate all state and local sales taxes on such excise taxes;

272 (27) Sales of fuel consumed or used in the operation of ships, barges, or  
273 waterborne vessels which are used primarily in or for the transportation of  
274 property or cargo, or the conveyance of persons for hire, on navigable rivers  
275 bordering on or located in part in this state, if such fuel is delivered by the seller  
276 to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such  
277 river;

278 (28) All sales made to an interstate compact agency created pursuant to  
279 sections 70.370 to 70.441 or sections 238.010 to 238.100 in the exercise of the  
280 functions and activities of such agency as provided pursuant to the compact;

281 (29) Computers, computer software and computer security systems

282 purchased for use by architectural or engineering firms headquartered in this  
283 state. For the purposes of this subdivision, "headquartered in this state" means  
284 the office for the administrative management of at least four integrated facilities  
285 operated by the taxpayer is located in the state of Missouri;

286 (30) All livestock sales when either the seller is engaged in the growing,  
287 producing or feeding of such livestock, or the seller is engaged in the business of  
288 buying and selling, bartering or leasing of such livestock;

289 (31) All sales of barges which are to be used primarily in the  
290 transportation of property or cargo on interstate waterways;

291 (32) Electrical energy or gas, whether natural, artificial or propane, water,  
292 or other utilities which are ultimately consumed in connection with the  
293 manufacturing of cellular glass products or in any material recovery processing  
294 plant as defined in subdivision (5) of this subsection;

295 (33) Notwithstanding other provisions of law to the contrary, all sales of  
296 pesticides or herbicides used in the production of crops, aquaculture, livestock or  
297 poultry;

298 (34) Tangible personal property and utilities purchased for use or  
299 consumption directly or exclusively in the research and development of  
300 agricultural/biotechnology and plant genomics products and prescription  
301 pharmaceuticals consumed by humans or animals;

302 (35) All sales of grain bins for storage of grain for resale;

303 (36) All sales of feed which are developed for and used in the feeding of  
304 pets owned by a commercial breeder when such sales are made to a commercial  
305 breeder, as defined in section 273.325, and licensed pursuant to sections 273.325  
306 to 273.357;

307 (37) All purchases by a contractor on behalf of an entity located in another  
308 state, provided that the entity is authorized to issue a certificate of exemption for  
309 purchases to a contractor under the provisions of that state's laws. For purposes  
310 of this subdivision, the term "certificate of exemption" shall mean any document  
311 evidencing that the entity is exempt from sales and use taxes on purchases  
312 pursuant to the laws of the state in which the entity is located. Any contractor  
313 making purchases on behalf of such entity shall maintain a copy of the entity's  
314 exemption certificate as evidence of the exemption. If the exemption certificate  
315 issued by the exempt entity to the contractor is later determined by the director  
316 of revenue to be invalid for any reason [and the contractor has accepted the  
317 certificate in good faith], neither the contractor or the exempt entity shall be

318 liable for the payment of any taxes, interest and penalty due as the result of use  
319 of the invalid exemption certificate **unless the contractor fraudulently**  
320 **accepted the certificate**. Materials shall be exempt from all state and local  
321 sales and use taxes when purchased by a contractor for the purpose of fabricating  
322 tangible personal property which is used in fulfilling a contract for the purpose  
323 of constructing, repairing or remodeling facilities for the following:

324 (a) An exempt entity located in this state, if the entity is one of those  
325 entities able to issue project exemption certificates in accordance with the  
326 provisions of section 144.062; or

327 (b) An exempt entity located outside the state if the exempt entity is  
328 authorized to issue an exemption certificate to contractors in accordance with the  
329 provisions of that state's law and the applicable provisions of this section;

330 (38) All sales or other transfers of tangible personal property to a lessor  
331 who leases the property under a lease of one year or longer executed or in effect  
332 at the time of the sale or other transfer to an interstate compact agency created  
333 pursuant to sections 70.370 to 70.441 or sections 238.010 to 238.100;

334 (39) Sales of tickets to any collegiate athletic championship event that is  
335 held in a facility owned or operated by a governmental authority or commission,  
336 a quasi-governmental agency, a state university or college or by the state or any  
337 political subdivision thereof, including a municipality, and that is played on a  
338 neutral site and may reasonably be played at a site located outside the state of  
339 Missouri. For purposes of this subdivision, "neutral site" means any site that is  
340 not located on the campus of a conference member institution participating in the  
341 event;

342 (40) All purchases by a sports complex authority created under section  
343 64.920, and all sales of utilities by such authority at the authority's cost that are  
344 consumed in connection with the operation of a sports complex leased to a  
345 professional sports team;

346 (41) All materials, replacement parts, and equipment purchased for use  
347 directly upon, and for the modification, replacement, repair, and maintenance of  
348 aircraft, aircraft power plants, and aircraft accessories;

349 (42) Sales of sporting clays, wobble, skeet, and trap targets to any  
350 shooting range or similar places of business for use in the normal course of  
351 business and money received by a shooting range or similar places of business  
352 from patrons and held by a shooting range or similar place of business for  
353 redistribution to patrons at the conclusion of a shooting event;

354 (43) All sales of motor fuel, as defined in section 142.800, used in any  
355 watercraft, as defined in section 306.010;

356 (44) Any new or used aircraft sold or delivered in this state to a person  
357 who is not a resident of this state or a corporation that is not incorporated in this  
358 state, and such aircraft is not to be based in this state and shall not remain in  
359 this state more than ten business days subsequent to the last to occur of:

360 (a) The transfer of title to the aircraft to a person who is not a resident  
361 of this state or a corporation that is not incorporated in this state; or

362 (b) The date of the return to service of the aircraft in accordance with 14  
363 CFR 91.407 for any maintenance, preventive maintenance, rebuilding, alterations,  
364 repairs, or installations that are completed contemporaneously with the transfer  
365 of title to the aircraft to a person who is not a resident of this state or a  
366 corporation that is not incorporated in this state;

367 (45) All internet access or the use of internet access regardless of whether  
368 the tax is imposed on a provider of internet access or a buyer of internet  
369 access. For purposes of this subdivision, the following terms shall mean:

370 (a) "Direct costs", costs incurred by a governmental authority solely  
371 because of an internet service provider's use of the public right-of-way. The term  
372 shall not include costs that the governmental authority would have incurred if the  
373 internet service provider did not make such use of the public right-of-way. Direct  
374 costs shall be determined in a manner consistent with generally accepted  
375 accounting principles;

376 (b) "Internet", computer and telecommunications facilities, including  
377 equipment and operating software, that comprises the interconnected worldwide  
378 network that employ the transmission control protocol or internet protocol, or any  
379 predecessor or successor protocols to that protocol, to communicate information  
380 of all kinds by wire or radio;

381 (c) "Internet access", a service that enables users to connect to the  
382 internet to access content, information, or other services without regard to  
383 whether the service is referred to as telecommunications, communications,  
384 transmission, or similar services, and without regard to whether a provider of the  
385 service is subject to regulation by the Federal Communications Commission as a  
386 common carrier under 47 U.S.C. Section 201, et seq. For purposes of this  
387 subdivision, internet access also includes: the purchase, use, or sale of  
388 communications services, including telecommunications services as defined in  
389 section 144.010, to the extent the communications services are purchased, used,

390 or sold to provide the service described in this subdivision or to otherwise enable  
391 users to access content, information, or other services offered over the internet;  
392 services that are incidental to the provision of a service described in this  
393 subdivision, when furnished to users as part of such service, including a home  
394 page, electronic mail, and instant messaging, including voice-capable and  
395 video-capable electronic mail and instant messaging, video clips, and personal  
396 electronic storage capacity; a home page electronic mail and instant messaging,  
397 including voice-capable and video-capable electronic mail and instant messaging,  
398 video clips, and personal electronic storage capacity that are provided  
399 independently or that are not packed with internet access. As used in this  
400 subdivision, internet access does not include voice, audio, and video programming  
401 or other products and services, except services described in this paragraph or this  
402 subdivision, that use internet protocol or any successor protocol and for which  
403 there is a charge, regardless of whether the charge is separately stated or  
404 aggregated with the charge for services described in this paragraph or this  
405 subdivision;

406 (d) "Tax", any charge imposed by the state or a political subdivision of the  
407 state for the purpose of generating revenues for governmental purposes and that  
408 is not a fee imposed for a specific privilege, service, or benefit conferred, except  
409 as described as otherwise under this subdivision, or any obligation imposed on a  
410 seller to collect and to remit to the state or a political subdivision of the state any  
411 gross retail tax, sales tax, or use tax imposed on a buyer by such a governmental  
412 entity. The term tax shall not include any franchise fee or similar fee imposed  
413 or authorized under section 67.1830 or 67.2689; Section 622 or 653 of the  
414 Communications Act of 1934, 47 U.S.C. Section 542 and 47 U.S.C. Section 573;  
415 or any other fee related to obligations of telecommunications carriers under the  
416 Communications Act of 1934, 47 U.S.C. Section 151, et seq., except to the extent  
417 that:

418 a. The fee is not imposed for the purpose of recovering direct costs  
419 incurred by the franchising or other governmental authority from providing the  
420 specific privilege, service, or benefit conferred to the payer of the fee; or

421 b. The fee is imposed for the use of a public right-of-way based on a  
422 percentage of the service revenue, and the fee exceeds the incremental direct  
423 costs incurred by the governmental authority associated with the provision of that  
424 right-of-way to the provider of internet access service.

425 Nothing in this subdivision shall be interpreted as an exemption from taxes due

426 on goods or services that were subject to tax on January 1, 2016;

427 **(46) Usual and customary delivery charges that are stated**  
428 **separately from the sale price.**

429 3. Any ruling, agreement, or contract, whether written or oral, express or  
430 implied, between a person and this state's executive branch, or any other state  
431 agency or department, stating, agreeing, or ruling that such person is not  
432 required to collect sales and use tax in this state despite the presence of a  
433 warehouse, distribution center, or fulfillment center in this state that is owned  
434 or operated by the person or an affiliated person shall be null and void unless it  
435 is specifically approved by a majority vote of each of the houses of the general  
436 assembly. For purposes of this subsection, an "affiliated person" means any  
437 person that is a member of the same controlled group of corporations as defined  
438 in Section 1563(a) of the Internal Revenue Code of 1986, as amended, as the  
439 vendor or any other entity that, notwithstanding its form of organization, bears  
440 the same ownership relationship to the vendor as a corporation that is a member  
441 of the same controlled group of corporations as defined in Section 1563(a) of the  
442 Internal Revenue Code, as amended.

144.032. The provisions of section 144.030 to the contrary  
2 notwithstanding, any city imposing a sales tax under the provisions of sections  
3 94.500 to 94.570, or any county imposing a sales tax under the provisions of  
4 sections 66.600 to 66.635, or any county imposing a sales tax under the provisions  
5 of sections 67.500 to 67.729, or any hospital district imposing a sales tax under  
6 the provisions of section 205.205 may by ordinance impose a sales tax upon all  
7 sales of [metered water services,] electricity, [electrical current and natural,  
8 artificial or propane gas, wood, coal, or home heating oil] **pipd natural or**  
9 **artificial gas, or other fuels delivered by the seller** for domestic use  
10 only. Such tax shall be administered by the department of revenue and assessed  
11 by the retailer in the same manner as any other city, county, or hospital district  
12 sales tax. Domestic use shall be determined in the same manner as the  
13 determination of domestic use for exemption of such sales from the state sales tax  
14 under the provisions of section 144.030.

144.049. 1. [For purposes of this section, the following terms mean:

2 (1) "Clothing", any article of wearing apparel, including footwear, intended  
3 to be worn on or about the human body. The term shall include but not be  
4 limited to cloth and other material used to make school uniforms or other school  
5 clothing. Items normally sold in pairs shall not be separated to qualify for the

6 exemption. The term shall not include watches, watchbands, jewelry, handbags,  
7 handkerchiefs, umbrellas, scarves, ties, headbands, or belt buckles; and

8 (2) "Personal computers", a laptop, desktop, or tower computer system  
9 which consists of a central processing unit, random access memory, a storage  
10 drive, a display monitor, and a keyboard and devices designed for use in  
11 conjunction with a personal computer, such as a disk drive, memory module,  
12 compact disk drive, daughterboard, digitizer, microphone, modem, motherboard,  
13 mouse, multimedia speaker, printer, scanner, single-user hardware, single-user  
14 operating system, soundcard, or video card;

15 (3) "School supplies", any item normally used by students in a standard  
16 classroom for educational purposes, including but not limited to textbooks,  
17 notebooks, paper, writing instruments, crayons, art supplies, rulers, book bags,  
18 backpacks, handheld calculators, chalk, maps, and globes. The term shall not  
19 include watches, radios, CD players, headphones, sporting equipment, portable  
20 or desktop telephones, copiers or other office equipment, furniture, or  
21 fixtures. School supplies shall also include computer software having a taxable  
22 value of three hundred fifty dollars or less and any graphing calculator having a  
23 taxable value of one hundred fifty dollars or less.

24 2.] In each year beginning on or after January 1, 2005, there is hereby  
25 specifically exempted from state sales tax law all retail sales of any article of  
26 clothing having a taxable value of one hundred dollars or less[.]; all retail sales  
27 of school supplies [not to exceed fifty dollars per purchase.]; **school art**  
28 **supplies, and school instructional materials;** all **prewritten** all computer  
29 software with a taxable value of three hundred fifty dollars or less[, all graphing  
30 calculators having a taxable value of one hundred fifty dollars or less.]; and all  
31 retail sales of [personal] computers [or computer peripheral devices] **and school**  
32 **computer supplies** not to exceed one thousand five hundred dollars **per item,**  
33 during a three-day period beginning at 12:01 a.m. on the first Friday in August  
34 and ending at midnight on the Sunday following. **Where a purchaser and**  
35 **seller are located in two different time zones, the time zone of the**  
36 **seller's location shall determine the authorized exemption period.**

37 [3.] 2. If the governing body of any political subdivision adopted an  
38 ordinance that applied to the 2004 sales tax holiday to prohibit the provisions of  
39 this section from allowing the sales tax holiday to apply to such political  
40 subdivision's local sales tax, then, notwithstanding any provision of a local  
41 ordinance to the contrary, the 2005 sales tax holiday shall not apply to such

42 political subdivision's local sales tax. However, any such political subdivision  
43 \may enact an ordinance to allow the 2005 sales tax holiday to apply to its local  
44 sales taxes. A political subdivision must notify the department of revenue not  
45 less than forty-five calendar days prior to the beginning date of the sales tax  
46 holiday occurring in that year of any ordinance or order rescinding an ordinance  
47 or order to opt out.

48 [4.] **3.** This section shall not apply to any sales which take place within  
49 the Missouri state fairgrounds.

50 [5.] **4.** This section applies to sales of items bought for personal use only.

51 [6. After the 2005 sales tax holiday, any political subdivision may, by  
52 adopting an ordinance or order, choose to prohibit future annual sales tax  
53 holidays from applying to its local sales tax. After opting out, the political  
54 subdivision may rescind the ordinance or order. The political subdivision must  
55 notify the department of revenue not less than forty-five calendar days prior to  
56 the beginning date of the sales tax holiday occurring in that year of any ordinance  
57 or order rescinding an ordinance or order to opt out.

58 [7.] **5.** This section may not apply to any retailer when less than two  
59 percent of the retailer's merchandise offered for sale qualifies for the sales tax  
60 holiday. The retailer [shall] **may** offer a sales tax refund in lieu of the sales tax  
61 holiday.

62 **6. A sale of property which is eligible for an exemption under**  
63 **subsection 1 of this section but is purchased under a layaway sale shall**  
64 **only qualify for an exemption if:**

65 **(1) Final payment on a layaway order is made by, and the**  
66 **property is given to, the purchaser during the exemption period; or**

67 **(2) The purchaser selects the property and the seller accepts the**  
68 **order for the property during the exemption period, for immediate**  
69 **delivery upon full payment, even if delivery is made after the**  
70 **exemption period.**

71 **7. The exemption of a bundled transaction shall be calculated as**  
72 **provided by law for all other bundled transactions.**

73 **8. (1) For any discount offered by a seller that is a reduction of**  
74 **the sales price of the product, the discounted sales price shall**  
75 **determine whether the sales price falls below the price threshold**  
76 **provided in subsection 1 of this section. A coupon that reduces the**  
77 **sales price shall be treated as a discount only if the seller is not**

78 reimbursed for the coupon amount by a third party.

79           (2) If a discount applies to the total amount paid by a purchaser  
80 rather than to the sales price of a particular product and the purchaser  
81 has purchased both exempt property and taxable property, the seller  
82 shall allocate the discount based on the total sales prices of the taxable  
83 property compared to the total sales prices of all property sold in the  
84 same transaction.

85           9. Items that are normally sold as a single unit shall continue to  
86 be sold in that manner and shall not be priced separately and sold as  
87 individual items.

88           10. Items that are purchased during an exemption period but  
89 that are not delivered to the purchaser until after the exemption period  
90 due to the item not being in stock shall qualify for an exemption. The  
91 provisions of this subsection shall not apply to an item that was  
92 delivered during an exemption period but was purchased prior to or  
93 after the exemption period.

94           11. (1) If a purchaser purchases an item of eligible property  
95 during an exemption period, but later exchanges the item for a similar  
96 eligible item after the exemption period, no additional tax shall be due  
97 on the new item.

98           (2) If a purchaser purchases an item of eligible property during  
99 an exemption period, but later returns the item after the exemption  
100 period and receives credit on the purchase of a different nonexempt  
101 item, the appropriate sales tax shall be due on the sale of the newly  
102 purchased item.

103           (3) If a purchaser purchases an item of eligible property before  
104 an exemption period, but during the exemption period returns the item  
105 and receives credit on the purchase of a different item of eligible  
106 property, no sales tax shall be due on the sale of the new item if the  
107 new item is purchased during the exemption period.

108           (4) For a sixty day period immediately following the end of the  
109 exemption period, if a purchaser returns an exempt item no credit for  
110 or refund of sales tax shall be given unless the purchaser provides a  
111 receipt or invoice that shows tax was paid, or the seller has sufficient  
112 documentation to show that tax was paid on the item being returned.

113           12. For items that require delivery, an item shall be considered  
114 exempt if:

115 (1) The item is both delivered to and paid for by the purchaser  
116 during the exemption period; or

117 (2) The purchaser orders and pays for the item and the seller  
118 accepts the order during the exemption period for immediate shipment,  
119 even if delivery is made after the exemption period. For the purposes  
120 of this subdivision, a seller shall be considered to have accepted an  
121 order when the seller has taken action to fill the order for immediate  
122 shipment. Actions to fill an order shall include placement of an "in  
123 date" stamp on a mail order or the assignment of an "order number" to  
124 a telephone order. An order shall be considered for immediate  
125 shipment when the purchaser does not request delayed shipment. An  
126 order shall be considered for immediate shipment notwithstanding a  
127 shipment that may be delayed because of a backlog of orders or  
128 because an item is currently unavailable or on back order.

144.054. 1. As used in this section, the following terms mean:

2 (1) "Processing", any mode of treatment, act, or series of acts performed  
3 upon materials to transform or reduce them to a different state or thing,  
4 including treatment necessary to maintain or preserve such processing by the  
5 producer at the production facility;

6 (2) "Recovered materials", those materials which have been diverted or  
7 removed from the solid waste stream for sale, use, reuse, or recycling, whether  
8 or not they require subsequent separation and processing.

9 2. In addition to all other exemptions granted under this chapter, there  
10 is hereby specifically exempted from the provisions of [sections 144.010 to 144.525  
11 and 144.600 to 144.761, and from the computation of the tax levied, assessed, or  
12 payable under sections 144.010 to 144.525 and 144.600 to 144.761,] **this chapter**  
13 **and from the computation of the tax levied, assessed, or payable under**  
14 **this chapter** electrical energy and gas, whether natural, artificial, or propane,  
15 water, coal, and energy sources, chemicals, machinery, equipment, and materials  
16 used or consumed in the manufacturing, processing, compounding, mining, or  
17 producing of any product, or used or consumed in the processing of recovered  
18 materials, or used in research and development related to manufacturing,  
19 processing, compounding, mining, or producing any product. The exemptions  
20 granted in this subsection shall not apply to local sales taxes as defined in section  
21 32.085 [and the provisions of this subsection shall be in addition to any state and  
22 local sales tax exemption provided in section 144.030].

23           3. In addition to all other exemptions granted under this chapter, there  
24 is hereby specifically exempted from the provisions of [sections 144.010 to 144.525  
25 and 144.600 to 144.761, and section 238.235, and the local sales tax law as  
26 defined in section 32.085, and from the computation of the tax levied, assessed,  
27 or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section  
28 238.235, and the local sales tax law as defined in section 32.085] **this chapter**  
29 **and from the computation of the tax levied, assessed, and payable**  
30 **under this chapter**, all utilities, machinery, and equipment used or consumed  
31 directly in television or radio broadcasting and all sales and purchases of tangible  
32 personal property, utilities, services, or any other transaction that would  
33 otherwise be subject to the state or local sales or use tax when such sales are  
34 made to or purchases are made by a contractor for use in fulfillment of any  
35 obligation under a defense contract with the United States government, and all  
36 sales and leases of tangible personal property by any county, city, incorporated  
37 town, or village, provided such sale or lease is authorized under chapter 100, and  
38 such transaction is certified for sales tax exemption by the department of  
39 economic development, and tangible personal property used for railroad  
40 infrastructure brought into this state for processing, fabrication, or other  
41 modification for use outside the state in the regular course of business.

42           4. In addition to all other exemptions granted under this chapter, there  
43 is hereby specifically exempted from the provisions of [sections 144.010 to 144.525  
44 and 144.600 to 144.761, and section 238.235, and the local sales tax law as  
45 defined in section 32.085, and from the computation of the tax levied, assessed,  
46 or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section  
47 238.235, and the local sales tax law as defined in section 32.085] **this chapter**  
48 **and from the computation of the tax levied, assessed, and payable**  
49 **under this chapter**, all sales and purchases of tangible personal property,  
50 utilities, services, or any other transaction that would otherwise be subject to the  
51 state or local sales or use tax when such sales are made to or purchases are made  
52 by a private partner for use in completing a project under sections 227.600 to  
53 227.669.

54           5. In addition to all other exemptions granted under this chapter, there  
55 is hereby specifically exempted from the provisions of [sections 144.010 to 144.525  
56 and 144.600 to 144.761, and section 238.235, and the local sales tax law as  
57 defined in section 32.085, and from the computation of the tax levied, assessed,  
58 or payable under sections 144.010 to 144.525 and 144.600 to 144.761, and section

59 238.235, and the local sales tax law as defined in section 32.085,] **this chapter**  
60 **and from the computation of the tax levied, assessed, and payable**  
61 **under this chapter** all materials, manufactured goods, machinery and parts,  
62 electrical energy and gas, whether natural, artificial or propane, water, coal and  
63 other energy sources, chemicals, soaps, detergents, cleaning and sanitizing  
64 agents, and other ingredients and materials inserted by commercial or industrial  
65 laundries to treat, clean, and sanitize textiles in facilities which process at least  
66 five hundred pounds of textiles per hour and at least sixty thousand pounds per  
67 week.

144.060. **1.** It shall be the duty of every person making any purchase or  
2 receiving any service upon which a tax is imposed by sections 144.010 to 144.510  
3 to pay, to the extent possible under the provisions of section 144.285, the amount  
4 of such tax to the person making such sale or rendering such service. Any person  
5 who shall willfully and intentionally refuse to pay such tax shall be guilty of a  
6 misdemeanor. The provisions of this section shall not apply to any person  
7 making any purchase or sale of a motor vehicle subject to sales tax as provided  
8 by the Missouri sales tax law, unless such person making the sale is a motor  
9 vehicle dealer authorized to collect and remit sales tax pursuant to subsection 8  
10 of section 144.070.

11 **2. A purchaser shall be relieved from any additional tax, interest,**  
12 **additions, or penalties for failure to collect and remit the proper**  
13 **amount of tax owed on a purchase subject to sales tax under chapter**  
14 **144 if:**

15 **(1) A purchaser's seller or a certified service provider relied on**  
16 **erroneous data provided by the director on tax rates, boundaries,**  
17 **taxing jurisdiction assignments, or in the taxability matrix created**  
18 **pursuant to section 144.124;**

19 **(2) A purchaser holding a direct pay permit created pursuant to**  
20 **section 144.079 relied on erroneous data provided by the director on**  
21 **tax rates, boundaries, taxing jurisdiction assignments, or in the**  
22 **taxability matrix created pursuant to section 144.124;**

23 **(3) A purchaser using a database created pursuant to section**  
24 **144.123 received erroneous data provided by the director on tax rates,**  
25 **boundaries, or taxing jurisdiction assignments; or**

26 **(4) A purchaser relied on erroneous data provided by the**  
27 **director in the taxability matrix created pursuant to section 144.124.**

144.079. 1. The provisions of section 144.080 notwithstanding, the  
2 director shall promulgate rules to allow for the issuance of direct pay  
3 permits to purchasers. Purchasers holding such a permit shall be  
4 permitted to purchase goods and services which are subject to sales tax  
5 under chapter 144 without remitting payment of the tax to the seller at  
6 the time of purchase. Such purchaser shall make a determination of  
7 the amount of tax owed and shall report and remit such amount  
8 directly to the taxing jurisdiction.

9 2. The director shall promulgate rules to implement the  
10 provisions of this section. Such rules shall include an application  
11 process for the issuance of a permit created under this section. Any  
12 rule or portion of a rule, as that term is defined in section 536.010,  
13 RSMo, that is created under the authority delegated in this section  
14 shall become effective only if it complies with and is subject to all of  
15 the provisions of chapter 536, RSMo, and, if applicable, section 536.028,  
16 RSMo. This section and chapter 536, RSMo, are nonseverable and if any  
17 of the powers vested with the general assembly pursuant to chapter  
18 536, RSMo, to review, to delay the effective date, or to disapprove and  
19 annul a rule are subsequently held unconstitutional, then the grant of  
20 rulemaking authority and any rule proposed or adopted after January  
21 1, 2019, shall be invalid and void.

144.080. 1. Every person receiving any payment or consideration upon  
2 the sale of property or rendering of service, subject to the tax imposed by the  
3 provisions of sections 144.010 to 144.525, is exercising the taxable privilege of  
4 selling the property or rendering the service at retail and is subject to the tax  
5 levied in section 144.020. The person shall be responsible not only for the  
6 collection of the amount of the tax imposed on the sale or service to the extent  
7 possible under the provisions of section 144.285, but shall, on or before the last  
8 day of the month following each calendar quarterly period of three months, file  
9 a return with the director of revenue showing the person's gross receipts and the  
10 amount of tax levied in section 144.020 for the preceding quarter, and shall remit  
11 to the director of revenue, with the return, the taxes levied in section 144.020,  
12 except as provided in [subsections 2 and 3] **subsection 2** of this section. The  
13 director of revenue may promulgate rules or regulations changing the filing and  
14 payment requirements of sellers, but shall not require any seller to file and pay  
15 more frequently than required in this section.

16           2. [Where the aggregate amount levied and imposed upon a seller by  
17 section 144.020 is in excess of two hundred fifty dollars for either the first or  
18 second month of a calendar quarter, the seller shall file a return and pay such  
19 aggregate amount for such months to the director of revenue by the twentieth day  
20 of the succeeding month.

21           3.] Where the aggregate amount levied and imposed upon a seller by  
22 section 144.020 is less than forty-five dollars in a calendar quarter, the director  
23 of revenue shall by regulation permit the seller to file a return for a calendar  
24 year. The return shall be filed and the taxes paid on or before January  
25 thirty-first of the succeeding year.

26           [4.] 3. The seller of any property or person rendering any service, subject  
27 to the tax imposed by sections 144.010 to 144.525, shall collect the tax from the  
28 purchaser of such property or the recipient of the service to the extent possible  
29 under the provisions of section 144.285, but the seller's inability to collect any  
30 part or all of the tax does not relieve the seller of the obligation to pay to the  
31 state the tax imposed by section 144.020; except that the collection of the tax  
32 imposed by sections 144.010 to 144.525 on motor vehicles and trailers shall be  
33 made as provided in sections 144.070 and 144.440.

34           [5.] 4. Any person may advertise or hold out or state to the public or to  
35 any customer directly that the tax or any part thereof imposed by sections  
36 144.010 to 144.525, and required to be collected by the person, will be assumed  
37 or absorbed by the person, provided that the amount of tax assumed or absorbed  
38 shall be stated on any invoice or receipt for the property sold or service  
39 rendered. Any person violating any of the provisions of this section shall be  
40 guilty of a misdemeanor. This subsection shall not apply to any retailer  
41 prohibited from collecting and remitting sales tax under section 66.630.

**144.082. 1. The director shall participate in an online  
2 registration system that will allow sellers to register in this state and  
3 other member states.**

**4           2. By registering, the seller agrees to collect and remit sales and  
5 use taxes for all taxable sales into this state as well as the other  
6 member states, including member states joining after the seller's  
7 registration. Withdrawal or revocation of this state from the agreement  
8 shall not relieve a seller of its responsibility to remit taxes previously  
9 or subsequently collected on behalf of this state.**

**10           3. If the seller has a requirement to register prior to registering**

11 **under the agreement, such seller shall obtain a retail sales license**  
12 **under section 144.083 and register under section 144.650.**

13 **4. Registration with the central registration system and the**  
14 **collection of sales and use taxes in this state shall not be used as a**  
15 **factor in determining whether the seller has nexus with this state for**  
16 **any tax at any time.**

144.083. 1. The director of revenue shall require all persons who are  
2 responsible for the collection of taxes under the provisions of section 144.080 to  
3 procure a retail sales license at no cost to the licensee which shall be prominently  
4 displayed at the licensee's place of business, and the license is valid until revoked  
5 by the director or surrendered by the person to whom issued when sales are  
6 discontinued. The director shall issue the retail sales license within ten working  
7 days following the receipt of a properly completed application. Any person  
8 applying for a retail sales license or reinstatement of a revoked sales tax license  
9 who owes any tax under sections 144.010 to 144.510 or sections 143.191 to  
10 143.261 must pay the amount due plus interest and penalties before the  
11 department may issue the applicant a license or reinstate the revoked license. All  
12 persons beginning business subsequent to August 13, 1986, and who are required  
13 to collect the sales tax shall secure a retail sales license prior to making sales at  
14 retail. Such license may, after ten days' notice, be revoked by the director of  
15 revenue only in the event the licensee shall be in default for a period of sixty days  
16 in the payment of any taxes levied under section 144.020 or sections 143.191 to  
17 143.261. Notwithstanding the provisions of section 32.057 in the event of  
18 revocation, the director of revenue may publish the status of the business account  
19 including the date of revocation in a manner as determined by the director.

20 2. The possession of a retail sales license and a statement from the  
21 department of revenue that the licensee owes no tax due under sections 144.010  
22 to 144.510 or sections 143.191 to 143.261 shall be a prerequisite to the issuance  
23 or renewal of any city or county occupation license or any state license which is  
24 required for conducting any business where goods are sold at retail. The date of  
25 issuance on the statement that the licensee owes no tax due shall be no more  
26 than ninety days before the date of submission for application or renewal of the  
27 local license. The revocation of a retailer's license by the director shall render the  
28 occupational license or the state license null and void.

29 3. No person responsible for the collection of taxes under section 144.080  
30 shall make sales at retail unless such person is the holder of a valid retail sales

31 license. After all appeals have been exhausted, the director of revenue may notify  
32 the county or city law enforcement agency representing the area in which the  
33 former licensee's business is located that the retail sales license of such person  
34 has been revoked, and that any county or city occupation license of such person  
35 is also revoked. The county or city may enforce the provisions of this section, and  
36 may prohibit further sales at retail by such person.

37 4. In addition to the provisions of subsection 2 of this section, beginning  
38 January 1, 2009, the possession of a statement from the department of revenue  
39 stating no tax is due under sections 143.191 to 143.265 or sections 144.010 to  
40 144.510 shall also be a prerequisite to the issuance or renewal of any city or  
41 county occupation license or any state license required for conducting any  
42 business where goods are sold at retail. The statement of no tax due shall be  
43 dated no longer than ninety days before the date of submission for application or  
44 renewal of the city or county license.

45 [5. Notwithstanding any law or rule to the contrary, sales tax shall only  
46 apply to the sale price paid by the final purchaser and not to any off-invoice  
47 discounts or other pricing discounts or mechanisms negotiated between  
48 manufacturers, wholesalers, and retailers.]

**144.084. 1. The director shall promulgate rules and regulations  
2 for remittance of returns. Such rules shall:**

3 **(1) Allow for electronic payments by all remitters by both ACH  
4 credit and ACH debit;**

5 **(2) Provide an alternative method for making "same day"  
6 payments if an electronic funds transfer fails;**

7 **(3) Provide that if a due date falls on a Saturday, Sunday, or  
8 legal holiday in the member state or on a day the Federal Reserve Bank  
9 is closed that prohibits a person from being able to make a payment by  
10 ACH debit or credit, the taxes shall be due on the next succeeding  
11 business day; and**

12 **(4) Require that any data that accompanies a remittance be  
13 formatted using uniform tax type and payment type codes approved by  
14 the streamlined sales and use tax governing board.**

15 **2. All model 1, model 2, and model 3 sellers shall file returns  
16 electronically. Any model 1, model 2, or model 3 seller shall submit its  
17 sales and use tax returns in a simplified format approved by the  
18 director at such times as may be prescribed by the director.**

19           **3. (1) The director shall make available to all sellers, whether or**  
20 **not the seller is registered under the streamlined sales and use tax**  
21 **agreement, a simplified electronic return that is in a form approved by**  
22 **the streamlined sales and use tax governing board and shall contain**  
23 **only those fields approved by the governing board. Such simplified**  
24 **electronic return shall contain two parts, with part one containing**  
25 **information relating to remittances and allocations and part two**  
26 **containing information relating to exempt sales.**

27           **(2) The director shall not require the submission of part two**  
28 **information from a model 4 seller which has no legal requirement to**  
29 **register in the state.**

30           **4. (1) Certified service providers shall file a simplified electronic**  
31 **return on behalf of its model 1 sellers and shall be required to file part**  
32 **one of the simplified electronic return at the times provided in sections**  
33 **144.080 and 144.090. The director shall allow model 1 sellers to file**  
34 **parts one and two of the simplified electronic return.**

35           **(2) Model 2 and model 3 sellers shall file a simplified electronic**  
36 **return at the times provided in sections 144.080 and 144.090 for each**  
37 **taxing period for which they anticipate making sales in the state. Such**  
38 **sellers shall file part two information:**

39           **(a) At the same time as the seller files part one information; or**  
40           **(b) At the time of the final due date of part one information in**  
41 **a given calendar year. A submission under this paragraph shall include**  
42 **data for all previous months of the same calendar year and shall be**  
43 **presented as yearly totals.**

44           **(3) The director shall allow model 4 sellers to file a simplified**  
45 **electronic return at the times provided in sections 144.080 and**  
46 **144.090. Such sellers shall file part two information:**

47           **(a) At the same time as the seller files part one information; or**  
48           **(b) At the time of the final due date of part one information in**  
49 **a given calendar year. A submission under this paragraph shall include**  
50 **data for all previous months of the same calendar year and shall be**  
51 **presented as yearly totals.**

52           **(4) Model 4 sellers that elect not to file a simplified electronic**  
53 **return shall file returns in the form and at the times afforded to sellers**  
54 **not registered under the streamlined sales and use tax agreement.**

55           **(5) The director shall allow sellers not registered under the**

56 streamlined sales and use tax agreement that are registered in the state  
57 to file a simplified electronic return at the times provided in sections  
58 144.080 and 144.090. Such sellers shall file part two information:

59 (a) At the same time as the seller files part one information; or  
60 (b) At the time of the final due date of part one information in  
61 a given calendar year. A submission under this paragraph shall include  
62 data for all previous months of the same calendar year and shall be  
63 presented as yearly totals.

64 5. A seller that is registered under the streamlined sales and use  
65 tax agreement and that has indicated at the time of registration that it  
66 anticipates making no sales which would be sourced to the state under  
67 the streamlined sales and use tax agreement shall not be required to  
68 file a return. A seller shall be disqualified for such exemption for any  
69 quarter in which the seller makes any taxable sales in the state and  
70 shall file a return for such quarter as provided in sections 144.080 and  
71 144.090.

72 6. The director shall provide for a standardized transmission  
73 process that allows for receipt of uniform tax returns and other  
74 formatted information. Such process shall provide for the filing of  
75 separate returns for multiple legal entities in a single transmission and  
76 shall not include any requirement for manual entry or input by a  
77 seller. The process shall allow a certified service provider, a tax  
78 preparer, or any other authorized entity to do so, to file returns for  
79 more than one seller in a single transmission. However, sellers filing  
80 returns for multiple legal entities shall only do so for affiliated legal  
81 entities.

82 7. The director shall give notice to a seller registered under the  
83 streamlined sales and use tax agreement which has no legal  
84 requirement to register in the state of a failure to file a required return  
85 and shall provide such seller at least thirty days following such notice  
86 to file a return prior to holding the seller liable for any penalties based  
87 on a failure to file a timely return.

144.100. 1. Every person making any taxable sales of property or service,  
2 except transactions provided for in sections 144.070 and 144.440, individually or  
3 by duly authorized officer or agent, shall make and file a written return with the  
4 director of revenue in such manner as he may prescribe.

5           2. The returns shall be on blanks designed and furnished by the director  
6 of the department of revenue and shall be filed at the times provided in sections  
7 144.080 and 144.090. The returns shall [show the amount of gross receipts from  
8 sales of taxable property and services by the person and the amount of tax due  
9 thereon by that person during and for the period covered by the return] **state:**

10           **(1) The name and address of the retailer;**

11           **(2) The total amount of gross sales of all tangible personal**  
12 **property and taxable services rendered by the retailer during the**  
13 **period for which the return is made;**

14           **(3) The total amount received during the period for which the**  
15 **return is made on charge and time sales of tangible personal property**  
16 **made and taxable services rendered prior to the period for which the**  
17 **return is made;**

18           **(4) Deductions allowed by law from such total amount of gross**  
19 **sales and from total amount received during the period for which the**  
20 **return is made on such charge and time sales;**

21           **(5) Receipts during the period for which the return is made from**  
22 **the total amount of sales of tangible personal property and taxable**  
23 **services rendered during such period in the course of such business,**  
24 **after deductions allowed by law have been made;**

25           **(6) Receipts during the period for which the return is made from**  
26 **charge and time sales of tangible personal property made and taxable**  
27 **services rendered prior to such period in the course of such business,**  
28 **after deductions allowed by law have been made;**

29           **(7) Gross receipts during the period for which the return is made**  
30 **from sales of tangible personal property and taxable services rendered**  
31 **in the course of such business upon the basis of which the tax is**  
32 **imposed; and**

33           **(8) Such other pertinent information as the director may require.**

34           **3. In making such return, the retailer shall determine the market**  
35 **value of any consideration, other than money, received in connection**  
36 **with the sale of any tangible personal property in the course of the**  
37 **business and shall include such value in the return. Such value shall**  
38 **be subject to review and revision by the director as hereinafter**  
39 **provided. Refunds made by a retailer during the period for which the**  
40 **return is made on account of tangible personal property returned to**  
41 **the retailer shall be allowed as a deduction under subdivision (4) of**

42 subsection 2 of this section in case the retailer has included the  
43 receipts from such sale in a return made by such retailer and paid  
44 taxes on such sale. The retailer shall, at the time of making such  
45 return, pay to the director the amount of tax owed, except as otherwise  
46 provided in this section. The director may extend the time for making  
47 returns and paying the tax required by this section for any period not  
48 to exceed sixty days under such rules and regulations as the director  
49 of revenue may prescribe.

50 4. The director shall only require a single tax return for each  
51 taxing period and such return shall include only the taxing  
52 jurisdictions in which the seller makes sales within the state. With each  
53 return, the person shall remit to the director of revenue the full amount of the tax  
54 due.

55 [3.] 5. In case of charge and time sales the gross receipts thereof shall  
56 be included as sales in the returns as and when payments are received by the  
57 person, without any deduction therefrom whatsoever.

58 [4.] 6. If an error or omission is discovered in a return or a change be  
59 necessary to show the true facts, the error may be corrected, the omission  
60 supplied, or the change made in the return next filed with the director for the  
61 filing period immediately following the filing period in which the error was made  
62 or the omission occurred, as prescribed by law, except that no refund under this  
63 chapter shall be allowed for any amount of tax paid by a seller which is based  
64 upon charges incident to credit card discounts. Any other omission or error must  
65 be corrected by filing an amended return for the erroneously reported period if  
66 the amount of tax is less than that originally reported, or an additional return if  
67 the amount of tax is greater than that originally reported. An additional return  
68 shall be deemed filed on the date the envelope in which it is mailed is postmarked  
69 or the date it is received by the director, whichever is earlier. Any payment of  
70 tax, interest, penalty or additions to tax shall be deemed filed on the date the  
71 envelope containing the payment is postmarked or the date the payment is  
72 received by the director, whichever is earlier. If a refund or credit results from  
73 the filing of an amended return, no refund or credit shall be allowed unless an  
74 application for refund or credit is properly completed and submitted to the  
75 director pursuant to section 144.190.

76 [5.] 7. The amount of gross receipts from sales and the amount of tax due  
77 returned by the person, as well as all matters contained in the return, is subject

78 to review and revision in the manner herein provided for the correction of the  
79 returns.

144.105. 1. A seller shall be allowed a deduction from taxable  
2 sales for bad debts attributable to taxable sales of such seller that have  
3 become uncollectable. Any deduction taken that is attributed to bad  
4 debts shall not include interest.

5 2. The amount of the bad debt deduction shall be calculated  
6 pursuant to 26 U.S.C. Section 166(b), except that such amount shall be  
7 adjusted to exclude financing charges or interest, sales, or use taxes  
8 charged on the purchase price, uncollectable amounts on property that  
9 remain in the possession of the seller until the full purchase price is  
10 paid, and expenses incurred in attempting to collect any debt or  
11 repossessed property.

12 3. Bad debts may be deducted on the return for the period  
13 during which the bad debt is written off as uncollectable in the seller's  
14 books and records and is eligible to be deducted for federal income tax  
15 purposes. For purposes of this subsection, a seller who is not required  
16 to file federal income tax returns may deduct a bad debt on a return  
17 filed for the period in which the bad debt is written off as uncollectable  
18 in the seller's books and records and would be eligible for a bad debt  
19 deduction for federal income tax purposes if the seller was required to  
20 file a federal income tax return.

21 4. If a deduction is taken for a bad debt and the debt is  
22 subsequently collected in whole or in part, the tax on the amount so  
23 collected shall be paid and reported on the return filed for the period  
24 in which the collection is made.

25 5. When the amount of bad debt exceeds the amount of taxable  
26 sales for the period during which the bad debt is written off, a refund  
27 claim may be filed by the seller within the applicable statute of  
28 limitations for refund claim; however, the statute of limitations shall  
29 be measured from the due date of the return on which the bad debt  
30 could first be claimed.

31 6. Where filing responsibilities have been assumed by a certified  
32 service provider, such service provider may claim, on behalf of the  
33 seller, any bad debt allowance provided by this section. The certified  
34 service provider shall credit or refund the full amount of any bad debt  
35 allowance or refund received to the seller.

36           7. For the purposes of reporting a payment received on a  
37 previously claimed bad debt, any payments made on a debt or account  
38 shall first be applied proportionally to the taxable price of the property  
39 or service and the sales tax thereon, and secondly to interest, service  
40 charges, and any other charges.

41           8. In situations where the books and records of the seller, or  
42 certified service provider on behalf of the seller, claiming the bad debt  
43 allowance support an allocation of the bad debts among the member  
44 states, such an allocation shall be permitted.

144.109. 1. Certified service providers providing services to  
2 model 1 sellers shall not be certified unless:

3           (1) The provider's system has been designed and tested to ensure  
4 the anonymity of purchasers unless otherwise required by law;

5           (2) Personally identifiable information is only used and retained  
6 to the extent necessary for the administration of model 1 with respect  
7 to exempt purchasers, and for the identification of taxing jurisdictions;

8           (3) The provider provides consumers with clear and conspicuous  
9 notice of its information practices, including what information it  
10 collects, how it collects such information, how it uses such information,  
11 how long, if at all, it retains such information, and whether it discloses  
12 such information to the state. Such notice shall be satisfied by a  
13 written privacy policy statement accessible by the public on the  
14 certified service provider's website;

15           (4) The providers's collection, use, and retention of personally  
16 identifiable information will be limited to that required by the state to  
17 ensure the validity of exemptions from taxation that are claimed by  
18 reason of a purchaser's status or the intended use of the goods or  
19 services purchased, and for the documentation of correct assignment  
20 of taxing jurisdictions; and

21           (5) The provider provides adequate technical, physical, and  
22 administrative safeguards so as to protect personally identifiable  
23 information from unauthorized access and disclosure.

24           2. (1) When any personally identifiable information that has  
25 been collected and retained is no longer required for the purposes set  
26 forth in subdivision (4) of subsection 1 of this section, such information  
27 shall no longer be retained by the state.

28           (2) When personally identifiable information regarding an

29 individual is retained by or on behalf of the state, the state shall  
30 provide reasonable access by such individual to his or her own  
31 information in the state's possession, as well as a right to correct any  
32 inaccurately recorded information.

33 (3) If anyone other than the state, or a person authorized by the  
34 state, seeks to discover personally identifiable information of an  
35 individual, the state shall make a reasonable and timely effort to notify  
36 the individual of such request.

37 3. The attorney general for the state of Missouri shall have the  
38 power to enforce the provisions of this section.

144.110. 1. The state shall review software submitted to the  
2 streamlined sales and use tax governing board for certification as a  
3 certified automated system (CAS) under Section 501 of the streamlined  
4 sales and use tax agreement. Such review shall include a review to  
5 determine that the program adequately classifies the state's product-  
6 based exemptions. Upon completion of the review, the state shall  
7 certify to the governing board its acceptance of the classifications made  
8 by the system. The state shall relieve a certified service provider (CSP)  
9 or model 2 seller from liability to this state and its local jurisdictions  
10 for failure to collect sales or use taxes resulting from the CSP or model  
11 2 seller's reliance on the certification provided by the state.

12 2. The streamlined sales and use tax governing board and this  
13 state shall not be responsible for classification of an item or  
14 transaction with the product-based exemptions. The relief from  
15 liability provided in this section shall not be available for a CSP or  
16 model 2 seller that has incorrectly classified an item or transaction into  
17 a product-based exemption certified by this state. This subsection shall  
18 not apply to the individual listing of items or transactions within a  
19 product definition approved by the governing board or the state.

20 3. If the state determines that an item or transaction is  
21 incorrectly classified as to its taxability, it shall notify the CSP or  
22 model 2 seller of the incorrect classification. The CSP or model 2 seller  
23 shall have ten days to revise the classification after receipt of notice  
24 from the state of the determination. Upon expiration of the ten days,  
25 such CSP or model 2 seller shall be liable for failure to collect the  
26 correct amount of sales or use taxes due and owing to the state.

144.111. 1. (1) All retail sales in Missouri, excluding leases and

2 rentals, of tangible personal property or digital goods shall be sourced  
3 to the location where the order is received by the seller.

4 (2) This subsection shall apply only if:

5 (a) The location where the order is received by the seller and the  
6 location where the purchaser receives the product are both in Missouri;

7 (b) The location where receipt of the product by the purchaser  
8 occurs is determined in accordance with subsection 2 of this section;  
9 and

10 (c) At the time the order is received, the recordkeeping system  
11 of the seller used to calculate the proper amount of sales or use tax to  
12 be imposed captures the location where the order is received.

13 (3) When the sale is sourced under this section to the location  
14 where the order is received by the seller, only the sales tax for the  
15 location where the order is received by the seller may be levied. No  
16 additional sales or use tax based on the location where the product is  
17 delivered to the purchaser may be levied on that sale. The purchaser  
18 shall not be entitled to any refund if the combined state and local rate  
19 or rates at the location where the product is received by the purchaser  
20 is lower than the rate where the order is received by the seller.

21 (4) A purchaser shall have no additional liability to the state for  
22 tax, penalty, or interest on a sale for which the purchaser remits tax to  
23 the seller in the amount invoiced by the seller if such invoice amount  
24 is calculated at either the rate applicable to the location where receipt  
25 by the purchaser occurs or at the rate applicable to the location where  
26 the order is received by the seller. A purchaser may rely on a written  
27 representation by the seller as to the location where the order for such  
28 sale was received by the seller. When the purchaser does not have a  
29 written representation by the seller as to the location where the order  
30 for such sale was received by the seller, the purchaser may use a  
31 location indicated by a business address for the seller that is available  
32 from the business records of the purchaser that are maintained in the  
33 ordinary course of the purchaser's business to determine the rate  
34 applicable to the location where the order was received.

35 (5) The location where the order is received by or on behalf of  
36 the seller means the physical location of a seller or third party such as  
37 an established outlet, office location, or automated order receipt system  
38 operated by or on behalf of the seller where an order is initially

39 received by or on behalf of the seller and not where the order may be  
40 subsequently accepted, completed, or fulfilled. An order is received  
41 when all of the information from the purchaser necessary to the  
42 determination whether the order can be accepted has been received by  
43 or on behalf of the seller. The location from which a product is shipped  
44 shall not be used in determining the location where the order is  
45 received by the seller.

46 (6) When taxable services are sold with tangible personal  
47 property or digital products pursuant to a single contract or in the  
48 same transaction, are billed on the same billing statement or  
49 statements, and, because of the application of this section, would be  
50 sourced to different jurisdictions, this subsection shall apply to  
51 determine the source for tax.

52 2. Except as provided in section 144.112, when the location where  
53 the order is received by the seller and the location where the receipt  
54 of the product by the purchaser (or the purchaser's donee, designated  
55 as such by the purchaser) occurs are in different states, the retail sale,  
56 excluding lease or rental, of a product shall be sourced as follows:

57 (1) When the product is received by the purchaser at a business  
58 location of the seller, the sale shall be sourced to such business  
59 location;

60 (2) When the product is not received by the purchaser at a  
61 business location of the seller, the sale shall be sourced to the location  
62 where receipt by the purchaser (or the purchaser's donee, designated  
63 as such by the purchaser) occurs, including the location indicated by  
64 instructions for delivery to the purchaser or donee, known to the seller;

65 (3) When subdivisions (1) and (2) of this subsection do not apply,  
66 the sale shall be sourced to the location indicated by an address for the  
67 purchaser that is available from the business records of the seller that  
68 are maintained in the ordinary course of the seller's business when use  
69 of this address does not constitute bad faith;

70 (4) When subdivisions (1), (2), and (3) of this subsection do not  
71 apply, the sale shall be sourced to the location indicated by an address  
72 for the purchaser obtained during the consummation of the sale,  
73 including the address of a purchaser's payment instrument, if no other  
74 address is available, when use of this address does not constitute bad  
75 faith;

76           **(5) When none of the previous rules of subdivisions (1), (2), (3),**  
77 **and (4) of this subsection apply, including the circumstances in which**  
78 **the seller is without sufficient information to apply the previous rules,**  
79 **then the location will be determined by the address from which**  
80 **tangible personal property was shipped, from which the digital good or**  
81 **computer software delivered electronically was first available for**  
82 **transmission from the seller, or from which the service was provided**  
83 **(disregarding for these purposes any location that merely provided the**  
84 **digital transfer of the product sold).**

85           **3. Notwithstanding subsections 1 and 2 of this section, all sales**  
86 **of motor vehicles, trailers, semi-trailers, watercraft, outboard motors,**  
87 **and aircraft that do not qualify as transportation equipment shall be**  
88 **sourced to the address of the owner thereof.**

89           **4. The lease or rental of tangible personal property, other than**  
90 **property identified in subsection 2 or 3 of this section or transactions**  
91 **regulated under sections 407.660 to 407.665, shall be sourced as follows:**

92           **(1) For a lease or rental that requires recurring periodic**  
93 **payments, the first periodic payment is sourced the same as a retail**  
94 **sale in accordance with the provisions of subsection 2 of this**  
95 **section. Periodic payments made subsequent to the first payment are**  
96 **sourced to the primary property location for each period covered by**  
97 **the payment. The primary property location shall be as indicated by**  
98 **an address for the property provided by the lessee that is available to**  
99 **the lessor from its records maintained in the ordinary course of**  
100 **business, when use of this address does not constitute bad faith. The**  
101 **property location shall not be altered by intermittent use at different**  
102 **locations, such as use of business property that accompanies employees**  
103 **on business trips and service calls;**

104           **(2) For a lease or rental that does not require recurring periodic**  
105 **payments, the payment is sourced the same as a retail sale in**  
106 **accordance with the provisions of subsection 2 of this section;**

107           **(3) This subsection does not affect the imposition or computation**  
108 **of sales or use tax on leases or rentals based on a lump sum or**  
109 **accelerated basis, or on the acquisition of property for lease.**

110           **5. The lease or rental of motor vehicles, trailers, semi-trailers, or**  
111 **aircraft that do not qualify as transportation equipment, as defined in**  
112 **section 144.010, shall be sourced as follows:**

113           (1) For a lease or rental that requires recurring periodic  
114 payments, each periodic payment is sourced to the primary property  
115 location. The primary property location shall be as indicated by an  
116 address for the property provided by the lessee that is available to the  
117 lessor from its records maintained in the ordinary course of business,  
118 when use of such address does not constitute bad faith. Such location  
119 shall not be altered by intermittent use at different locations;

120           (2) For a lease or rental that does not require recurring periodic  
121 payments, the payment is sourced the same as a retail sale in  
122 accordance with the provisions of subsection 2 of this section;

123           (3) This subsection does not affect the imposition or computation  
124 of sales or use tax on leases or rentals based on a lump sum or  
125 accelerated basis, or on the acquisition of property for lease.

126           6. The retail sale, including lease or rental, of transportation  
127 equipment shall be sourced the same as a retail sale in accordance with  
128 the provisions of subsection 2 of this section, notwithstanding the  
129 exclusion of lease or rental in subsection 2 of this section.

144.112. 1. The retail sale of a product shall be sourced in  
2 accordance with section 144.111. The provisions of section 144.111 shall  
3 apply regardless of the characterization of a product as tangible  
4 personal property, a digital good, or a service. The provisions of  
5 section 144.111 shall only apply to determine a seller's obligation to pay  
6 or collect and remit sales or use tax with respect to the seller's retail  
7 sale of a product. The provisions of this subsection shall not affect the  
8 obligation of a purchaser or lessee to remit tax on the use of the  
9 product to the taxing jurisdictions of that use.

10           2. Section 144.111 shall not apply to sales or use taxes levied on  
11 the following:

12           (1) Retail sales or transfers of watercraft, modular homes,  
13 manufactured homes, or mobile homes; and

14           (2) Telecommunications services and ancillary services.

144.113. 1. (1) A purchaser of advertising and promotional direct  
2 mail may provide the seller with either:

3           (a) A direct pay permit;

4           (b) An agreement certificate of exemption claiming direct mail  
5 (or other written statement approved, authorized, or accepted by the  
6 state); or

7 (c) Information showing the jurisdictions to which the  
8 advertising and promotional direct mail is to be delivered to recipients.

9 (2) If the purchaser provides the permit, certificate, or statement  
10 referred to in paragraph (a) or (b) of subdivision (1) of this subsection,  
11 the seller, in the absence of bad faith, is relieved of all obligations to  
12 collect, pay, or remit any tax on any transaction involving advertising  
13 and promotional direct mail to which the permit, certificate, or  
14 statement applies. The purchaser shall source the sale to the  
15 jurisdictions to which the advertising and promotional direct mail is  
16 to be delivered to the recipients and shall report and pay any  
17 applicable tax due.

18 (3) If the purchaser provides the seller information showing the  
19 jurisdictions to which the advertising and promotional direct mail is  
20 to be delivered to recipients, the seller shall source the sale to the  
21 jurisdictions to which the advertising and promotional direct mail is  
22 to be delivered and shall collect and remit the applicable tax. In the  
23 absence of bad faith, the seller is relieved of any further obligation to  
24 collect any additional tax on the sale of advertising and promotional  
25 direct mail where the seller has sourced the sale according to the  
26 delivery information provided by the purchaser.

27 (4) If the purchaser does not provide the seller with any of the  
28 items listed in paragraph (a), (b), or (c) of subdivision (1) of this  
29 subsection, the sale shall be sourced according to subdivision (5) of  
30 subsection 2 of section 144.111. The state to which the advertising and  
31 promotional direct mail is delivered may disallow credit for tax paid  
32 on sales sourced under this subdivision.

33 (5) Notwithstanding section 144.111, this subsection shall apply  
34 to sales of advertising and promotional direct mail.

35 2. (1) Except as otherwise provided in this subsection, sales of  
36 other direct mail are sourced in accordance with subdivision (3) of  
37 subsection 2 of section 144.111.

38 (2) A purchaser of other direct mail may provide the seller with  
39 either:

40 (a) A direct pay permit; or

41 (b) An agreement certificate of exemption claiming direct mail  
42 (or other written statement approved, authorized, or accepted by the  
43 state).

44           **(3) If the purchaser provides the permit, certificate, or statement**  
45 **referred to in paragraph (a) or (b) of subdivision (2) of this subsection,**  
46 **the seller, in the absence of bad faith, is relieved of all obligations to**  
47 **collect, pay, or remit any tax on any transaction involving other direct**  
48 **mail to which the permit, certificate, or statement**  
49 **apply. Notwithstanding subdivision (1) of this subsection, the sale shall**  
50 **be sourced to the jurisdictions to which the other direct mail is to be**  
51 **delivered to the recipients and the purchaser shall report and pay**  
52 **applicable tax due.**

53           **(4) Notwithstanding section 144.111, this subsection shall apply**  
54 **to sales of other direct mail.**

55           **3. (1) (a) This section applies to a transaction characterized**  
56 **under state law as the sale of services only if the service is an integral**  
57 **part of the production and distribution of printed material that meets**  
58 **the definition of direct mail.**

59           **(b) This section does not apply to any transaction that includes**  
60 **the development of billing information or the provision of any data**  
61 **processing service that is more than incidental regardless of whether**  
62 **advertising and promotional direct mail is included in the same**  
63 **mailing.**

64           **(2) If a transaction is a bundled transaction that includes**  
65 **advertising and promotion direct mail, this section applies only if the**  
66 **primary purpose of the transaction is the sale of products or services**  
67 **that meet the definition of advertising and promotional direct mail.**

68           **(3) Nothing in this section shall limit any purchaser's:**

69           **(a) Obligation for sales or use tax to any state to which the direct**  
70 **mail is delivered;**

71           **(b) Right under local, state, federal, or constitutional law, to a**  
72 **credit for sales or use taxes legally due and paid to other jurisdictions;**  
73 **or**

74           **(c) Right to a refund of sales or use taxes overpaid to any**  
75 **jurisdiction.**

76           **(4) This section applies for purposes of uniformly sourcing direct**  
77 **mail transactions and does not impose requirements on states**  
78 **regarding the taxation of products that meet the definition of direct**  
79 **mail or to the application of sales for resale or other exemptions.**

[144.043.] 144.114. 1. [As used in this section, the following terms

2 mean:

3 (1) "Light aircraft", a light airplane that seats no more than four persons,  
4 with a gross weight of three thousand pounds or less, which is primarily used for  
5 recreational flying or flight training;

6 (2) "Light aircraft kit", factory manufactured parts and components,  
7 including engine, propeller, instruments, wheels, brakes, and air frame parts  
8 which make up a complete aircraft kit or partial kit designed to be assembled into  
9 a light aircraft and then operated by a qualified purchaser for recreational and  
10 educational purposes;

11 (3) "Parts and components", manufactured light aircraft parts, including  
12 air frame and engine parts, that are required by the qualified purchaser to  
13 complete a light aircraft kit, or spare or replacement parts for an already  
14 completed light aircraft;

15 (4) "Qualified purchaser", a purchaser of a light aircraft, light aircraft kit,  
16 parts or components who is nonresident of this state, who will transport the light  
17 aircraft, light aircraft kit, parts or components outside this state within ten days  
18 after the date of purchase, and who will register any light aircraft so purchased  
19 in another state or country. Such purchaser shall not base such aircraft in this  
20 state and such purchaser shall not be a resident of the state unless such  
21 purchaser has paid sales or use tax on such aircraft in another state.

22 2. In addition to the exemptions granted under the provisions of section  
23 144.030, there shall also be specifically exempted from the provisions of sections  
24 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, and from the  
25 provisions of any local sales tax law, as defined in section 32.085, and from the  
26 computation of the tax levied, assessed or payable under sections 144.010 to  
27 144.525, sections 144.600 to 144.748, section 238.235, and under any local sales  
28 tax law, as defined in section 32.085, all sales of new light aircraft, light aircraft  
29 kits, parts or components manufactured or substantially completed within this  
30 state, when such new light aircraft, light aircraft kits, parts or components are  
31 sold by the manufacturer to a qualified purchaser. The director of revenue shall  
32 prescribe the manner for a purchaser of a light aircraft, light aircraft kit, parts  
33 or components to establish that such person is a qualified purchaser and is  
34 eligible for the exemption established in this section] **Except for the defined**  
35 **telecommunication services in subsection 3 of this section, the sale of**  
36 **telecommunication service sold on a call-by-call basis shall be sourced**  
37 **to:**

38           **(1) Each level of taxing jurisdiction where the call originates and**  
39 **terminates in that jurisdiction; or**

40           **(2) Each level of taxing jurisdiction where the call either**  
41 **originates or terminates and in which the service address is also**  
42 **located.**

43           **2. Except for the defined telecommunication services in**  
44 **subsection 3 of this section, a sale of telecommunications services sold**  
45 **on a basis other than a call-by-call basis, is sourced to the customer's**  
46 **place of primary use.**

47           **3. The sale of the following telecommunication services shall be**  
48 **sourced to each level of taxing jurisdiction as follows:**

49           **(1) A sale of mobile telecommunications services other than air-**  
50 **to-ground radiotelephone service and prepaid calling service, is**  
51 **sourced to the customer's place of primary use as required by the**  
52 **Mobile Telecommunications Sourcing Act;**

53           **(2) A sale of post-paid calling service is sourced to the**  
54 **origination point of the telecommunications signal as first identified by**  
55 **either:**

56           **(a) The seller's telecommunications system; or**

57           **(b) Information received by the seller from its service provider,**  
58 **where the system used to transport such signals is not that of the seller;**

59           **(3) A sale of prepaid calling service or a sale of a prepaid**  
60 **wireless calling service is sourced in accordance with section 144.111,**  
61 **provided however, in the case of a sale of prepaid wireless calling**  
62 **service, the rule provided in subdivision (5) of subsection 2 of section**  
63 **144.111 shall include as an option the location associated with the**  
64 **mobile telephone number;**

65           **(4) A sale of a private communication service is sourced as**  
66 **follows:**

67           **(a) Service for a separate charge related to a customer channel**  
68 **termination point is sourced to each level of jurisdiction in which such**  
69 **customer channel termination point is located;**

70           **(b) Service where all customer termination points are located**  
71 **entirely within one jurisdiction or levels of jurisdiction is sourced in**  
72 **such jurisdiction in which the customer channel termination points are**  
73 **located;**

74           **(c) Service for segments of a channel between two customer**

75 channel termination points located in different jurisdictions and which  
76 segment of channel are separately charged is sourced fifty percent in  
77 each level of jurisdiction in which the customer channel termination  
78 points are located; and

79 (d) Service for segments of a channel located in more than one  
80 jurisdiction or levels of jurisdiction and which segments are not  
81 separately billed is sourced in each jurisdiction based on the  
82 percentage determined by dividing the number of customer channel  
83 termination points in such jurisdiction by the total number of customer  
84 channel termination points.

85 4. The sale of internet access service is sourced to the customer's  
86 place of primary use.

87 5. The sale of an ancillary service is sourced to the customer's  
88 place of primary use.

144.123. 1. The director shall provide and maintain a database  
2 that describes boundary changes for all taxing jurisdictions and the  
3 effective dates of such changes for sales and use tax purposes.

4 2. The director shall provide and maintain a database of all sales  
5 and use tax rates for all taxing jurisdictions. For the identification of  
6 counties and cities, codes corresponding to the rates shall be provided  
7 according to Federal Information Processing Standards (FIPS) as  
8 developed by the National Institute of Standards and Technology. For  
9 the identification of all other jurisdictions, codes corresponding to the  
10 rates shall be in a format determined by the director.

11 3. The director shall provide and maintain a database that  
12 assigns each five- and nine-digit zip code to the proper rates and taxing  
13 jurisdictions. If a nine-digit zip code designation is not available for  
14 a street address, or if a seller or a certified service provider (CSP) is  
15 unable to determine the nine-digit zip code designation applicable to  
16 a purchase after exercising due diligence to determine the designation,  
17 the seller or CSP may apply the rate for the five-digit zip code  
18 area. For purposes of this section, there shall be a rebuttable  
19 presumption that a seller or CSP has exercised due diligence if the  
20 seller has attempted to determine the nine-digit zip code designation  
21 by utilizing software approved by the governing board that makes this  
22 designation from the street address and the five-digit zip code  
23 applicable to a purchase.

24           4. The director may provide address-based boundary database  
25 records for assigning taxing jurisdictions and associated rates which  
26 shall be in addition to the requirements of subsection 3 of this  
27 section. The database records shall be in the same approved format as  
28 the database records required under subsection 3 of this section and  
29 shall meet the requirements developed pursuant to the federal Mobile  
30 Telecommunications Sourcing Act, 4 U.S.C. Section 119(a). If the  
31 director develops address-based assignment database records pursuant  
32 to the agreement, sellers that register under the agreement shall be  
33 required to use such database. A seller or CSP shall use such database  
34 records in place of the five- and nine-digit zip code database records  
35 provided for in subsection 3 of this section. If a seller or CSP is unable  
36 to determine the applicable rate and jurisdiction using an address-  
37 based database record after exercising due diligence, the seller or CSP  
38 may apply the nine-digit zip code designation applicable to a purchase.  
39 If a nine-digit zip code designation is not available for a street address  
40 or if a seller or CSP is unable to determine the nine-digit zip code  
41 designation applicable to a purchase after exercising due diligence to  
42 determine the designation, the seller or CSP may apply the rate for the  
43 five-digit zip code area. For the purposes of this section, there shall be  
44 a rebuttable presumption that a seller or CSP has exercised due  
45 diligence if the seller or CSP has attempted to determine the tax rate  
46 and jurisdiction by utilizing software approved by the director and  
47 makes the assignment from the address and zip code information  
48 applicable to the purchase. If the director has met the requirements of  
49 subsection 3 of this section, the director may also elect to certify  
50 vendor provided address-based databases for assigning tax rates and  
51 jurisdictions. The databases shall be in the same approved format as  
52 the database records under this section and meet the requirements  
53 developed pursuant to the federal Mobile Telecommunications Sourcing  
54 Act, 4 U.S.C. Section 119(a). If the director certifies a vendor address-  
55 based database, a seller or CSP may use such database in place of the  
56 database provided for in this subsection.

57           5. The electronic databases provided for in subsections 1, 2, 3,  
58 and 4 of this section shall be in downloadable format as determined by  
59 the director. The databases may be directly provided by the director  
60 or provided by a vendor as designated by the director. A database

61 provided by a vendor as designated by the director shall be applicable  
62 and subject to the provisions of section 144.1031 and this section. The  
63 databases shall be provided at no cost to the user of the database. The  
64 provisions of subsections 3 and 4 of this section shall not apply when  
65 the purchased product is received by the purchaser at the business  
66 location of the seller.

67 6. No seller or CSP shall be liable for reliance upon erroneous  
68 data provided by the director on tax rates, boundaries, or taxing  
69 jurisdiction assignments.

144.124. 1. The director shall complete a taxability matrix. The  
2 state's entries in the matrix shall be provided and maintained by the  
3 director in a database that is in a downloadable format.

4 2. The director shall provide reasonable notice of changes in the  
5 taxability of the products or services listed in the taxability matrix.

6 3. A seller or CSP shall be relieved from liability to this state or  
7 any local taxing jurisdiction for having charged and collected the  
8 incorrect amount of state or local sales or use tax resulting from such  
9 seller's or CSP's reliance upon erroneous data provided by the director  
10 in the taxability matrix.

144.125. 1. (1) Amnesty shall be granted for uncollected or  
2 unpaid sales or use tax to a seller who registers to pay or to collect and  
3 remit applicable sales or use tax on sales made to purchasers in this  
4 state in accordance with the terms of the agreement, provided that the  
5 seller was not so registered in this state in the twelve-month period  
6 preceding the effective date of this state's participation in the  
7 agreement.

8 (2) Amnesty shall preclude assessment for uncollected or unpaid  
9 sales or use tax together with penalty or interest for sales made during  
10 the period the seller was not registered in this state, provided  
11 registration occurs within twelve months of the effective date of this  
12 state's participation in the agreement.

13 (3) Amnesty shall be provided if this state joins the agreement  
14 after the seller has registered.

15 2. Amnesty shall not be available to a seller with respect to any  
16 matter or matters for which the seller received notice of the  
17 commencement of an audit and which audit is not yet finally resolved  
18 including any related administrative and judicial processes. The

19 amnesty shall not be available for sales or use taxes already paid or  
20 remitted to this state or to taxes collected by the seller.

21       **3. Amnesty provided under this section shall be fully effective,**  
22 **absent the seller's fraud or intentional misrepresentation of a material**  
23 **fact, as long as the seller continues registration and payment or**  
24 **collection and remittance of applicable sales or use taxes for a period**  
25 **of at least thirty-six months. The statute of limitations applicable to**  
26 **asserting a tax liability during this thirty-six month period shall be**  
27 **tolled.**

28       **4. Amnesty provided under this section shall be applicable only**  
29 **to sales or use taxes due from a seller in its capacity as a seller and not**  
30 **to sales or use taxes due from a seller in its capacity as a purchaser.**

31       **5. The provisions of this section shall become effective as of the**  
32 **date that the state joins and becomes a member state of the agreement.**

144.140. 1. From every remittance to the director of revenue made on or  
2 before the date when the same becomes due, the person required to remit the  
3 same shall be entitled to deduct and retain an amount equal to two percent  
4 thereof.

5       **2. If the director of the department of revenue enters into the**  
6 **streamlined sales and use tax agreement under section 32.070, the**  
7 **director shall provide a monetary allowance from the taxes collected**  
8 **to each of the following:**

9       **(1) A CSP, in accordance with the agreement and under the**  
10 **terms of the contract signed with the provider, provided that such**  
11 **allowance shall be funded entirely from money collected in Model 1;**

12       **(2) Any vendor registered under the agreement that selects a**  
13 **certified automated system to perform part of its sales or use tax**  
14 **functions;**

15       **(3) Any vendor registered under the agreement that uses a**  
16 **proprietary system to calculate taxes due and has entered into a**  
17 **performance agreement with states that are members of the**  
18 **streamlined sales and use tax agreement.**

19       **3. The monetary allowance provided for vendors in subdivision**  
20 **(2) or (3) of subsection 2 of this section shall be determined in**  
21 **accordance with the agreement entered into with these parties by the**  
22 **governing board.**

144.190. 1. If a tax has been incorrectly computed by reason of a clerical

2 error or mistake on the part of the director of revenue, such fact shall be set forth  
3 in the records of the director of revenue, and the amount of the overpayment shall  
4 be credited on any taxes then due from the person legally obligated to remit the  
5 tax pursuant to sections 144.010 to 144.525, and the balance shall be refunded  
6 to the person legally obligated to remit the tax, such person's administrators or  
7 executors, as provided for in section 144.200.

8         2. If any tax, penalty or interest has been paid more than once, or has  
9 been erroneously or illegally collected, or has been erroneously or illegally  
10 computed, such sum shall be credited on any taxes then due from the person  
11 legally obligated to remit the tax pursuant to sections 144.010 to 144.525, and the  
12 balance, with interest as determined by section 32.065, shall be refunded to the  
13 person legally obligated to remit the tax, but no such credit or refund shall be  
14 allowed unless duplicate copies of a claim for refund are filed within three years  
15 from date of overpayment.

16         3. Every claim for refund must be in writing and signed by the applicant,  
17 and must state the specific grounds upon which the claim is founded. Any refund  
18 or any portion thereof which is erroneously made, and any credit or any portion  
19 thereof which is erroneously allowed, may be recovered in any action brought by  
20 the director of revenue against the person legally obligated to remit the tax. In  
21 the event that a tax has been illegally imposed against a person legally obligated  
22 to remit the tax, the director of revenue shall authorize the cancellation of the tax  
23 upon the director's record.

24         4. Notwithstanding the provisions of section 32.057, a purchaser that  
25 originally paid sales or use tax to a vendor or seller may submit a refund claim  
26 directly to the director of revenue for such sales or use taxes paid to such vendor  
27 or seller and remitted to the director, provided no sum shall be refunded more  
28 than once, any such claim shall be subject to any offset, defense, or other claim  
29 the director otherwise would have against either the purchaser or vendor or  
30 seller, and such claim for refund is accompanied by either:

31         (1) A notarized assignment of rights statement by the vendor or seller to  
32 the purchaser allowing the purchaser to seek the refund on behalf of the vendor  
33 or seller. An assignment of rights statement shall contain the Missouri sales or  
34 use tax registration number of the vendor or seller, a list of the transactions  
35 covered by the assignment, the tax periods and location for which the original  
36 sale was reported to the director of revenue by the vendor or seller, and a  
37 notarized statement signed by the vendor or seller affirming that the vendor or

38 seller has not received a refund or credit, will not apply for a refund or credit of  
39 the tax collected on any transactions covered by the assignment, and authorizes  
40 the director to amend the seller's return to reflect the refund; or

41 (2) In the event the vendor or seller fails or refuses to provide an  
42 assignment of rights statement within sixty days from the date of such  
43 purchaser's written request to the vendor or seller, or the purchaser is not able  
44 to locate the vendor or seller or the vendor or seller is no longer in business, the  
45 purchaser may provide the director a notarized statement confirming the efforts  
46 that have been made to obtain an assignment of rights from the vendor or  
47 seller. Such statement shall contain a list of the transactions covered by the  
48 assignment, the tax periods and location for which the original sale was reported  
49 to the director of revenue by the vendor or seller.

50 The director shall not require such vendor, seller, or purchaser to submit  
51 amended returns for refund claims submitted under the provisions of this  
52 subsection. Notwithstanding the provisions of section 32.057, if the seller is  
53 registered with the director for collection and remittance of sales tax, the director  
54 shall notify the seller at the seller's last known address of the claim for refund.  
55 If the seller objects to the refund within thirty days of the date of the notice, the  
56 director shall not pay the refund. If the seller agrees that the refund is  
57 warranted or fails to respond within thirty days, the director may issue the  
58 refund and amend the seller's return to reflect the refund. For purposes of  
59 section 32.069, the refund claim shall not be considered to have been filed until  
60 the seller agrees that the refund is warranted or thirty days after the date the  
61 director notified the seller and the seller failed to respond.

62 5. Notwithstanding the provisions of section 32.057, when a vendor files  
63 a refund claim on behalf of a purchaser and such refund claim is denied by the  
64 director, notice of such denial and the reason for the denial shall be sent by the  
65 director to the vendor and each purchaser whose name and address is submitted  
66 with the refund claim form filed by the vendor. A purchaser shall be entitled to  
67 appeal the denial of the refund claim within sixty days of the date such notice of  
68 denial is mailed by the director as provided in section 144.261. The provisions  
69 of this subsection shall apply to all refund claims filed after August 28,  
70 2012. The provisions of this subsection allowing a purchaser to appeal the  
71 director's decision to deny a refund claim shall also apply to any refund claim  
72 denied by the director on or after January 1, 2007, if an appeal of the denial of  
73 the refund claim is filed by the purchaser no later than September 28, 2012, and

74 if such claim is based solely on the issue of the exemption of the electronic  
75 transmission or delivery of computer software.

76           6. Notwithstanding the provisions of this section, the director of revenue  
77 shall authorize direct-pay agreements to purchasers which have annual purchases  
78 in excess of seven hundred fifty thousand dollars pursuant to rules and  
79 regulations adopted by the director of revenue. For the purposes of such  
80 direct-pay agreements, the taxes authorized pursuant to chapters 66, 67, 70, 92,  
81 94, 162, 190, 238, 321, and 644 shall be remitted based upon the location of the  
82 place of business of the purchaser.

83           7. Special rules applicable to error corrections requested by customers of  
84 mobile telecommunications service are as follows:

85           (1) For purposes of this subsection, the terms "customer", "home service  
86 provider", "place of primary use", "electronic database", and "enhanced zip code"  
87 shall have the same meanings as defined in the Mobile Telecommunications  
88 Sourcing Act incorporated by reference in section 144.013;

89           (2) Notwithstanding the provisions of this section, if a customer of mobile  
90 telecommunications services believes that the amount of tax, the assignment of  
91 place of primary use or the taxing jurisdiction included on a billing is erroneous,  
92 the customer shall notify the home service provider, in writing, within three years  
93 from the date of the billing statement. The customer shall include in such  
94 written notification the street address for the customer's place of primary use, the  
95 account name and number for which the customer seeks a correction of the tax  
96 assignment, a description of the error asserted by the customer and any other  
97 information the home service provider reasonably requires to process the request;

98           (3) Within sixty days of receiving the customer's notice, the home service  
99 provider shall review its records and the electronic database or enhanced zip code  
100 to determine the customer's correct taxing jurisdiction. If the home service  
101 provider determines that the review shows that the amount of tax, assignment  
102 of place of primary use or taxing jurisdiction is in error, the home service  
103 provider shall correct the error and, at its election, either refund or credit the  
104 amount of tax erroneously collected to the customer for a period of up to three  
105 years from the last day of the home service provider's sixty-day review period. If  
106 the home service provider determines that the review shows that the amount of  
107 tax, the assignment of place of primary use or the taxing jurisdiction is correct,  
108 the home service provider shall provide a written explanation of its determination  
109 to the customer.

110           8. For all refund claims submitted to the department of revenue on or  
111 after September 1, 2003, notwithstanding any provision of this section to the  
112 contrary, if a person legally obligated to remit the tax levied pursuant to sections  
113 144.010 to 144.525 has received a refund of such taxes for a specific issue and  
114 submits a subsequent claim for refund of such taxes on the same issue for a tax  
115 period beginning on or after the date the original refund check issued to such  
116 person, no refund shall be allowed. This subsection shall not apply and a refund  
117 shall be allowed if the refund claim is filed by a purchaser under the provisions  
118 of subsection 4 of this section, the refund claim is for use tax remitted by the  
119 purchaser, or an additional refund claim is filed by a person legally obligated to  
120 remit the tax due to any of the following:

121           (1) Receipt of additional information or an exemption certificate from the  
122 purchaser of the item at issue;

123           (2) A decision of a court of competent jurisdiction or the administrative  
124 hearing commission; or

125           (3) Changes in regulations or policy by the department of revenue.

126           9. Notwithstanding any provision of law to the contrary, the director of  
127 revenue shall respond to a request for a binding letter ruling filed in accordance  
128 with section 536.021 within sixty days of receipt of such request. If the director  
129 of revenue fails to respond to such letter ruling request within sixty days of  
130 receipt by the director, the director of revenue shall be barred from pursuing  
131 collection of any assessment of sales or use tax with respect to the issue which is  
132 the subject of the letter ruling request. For purposes of this subsection, the term  
133 "letter ruling" means a written interpretation of law by the director to a specific  
134 set of facts provided by a specific taxpayer or his or her agent.

135           10. If any tax was paid more than once, was incorrectly collected, or was  
136 incorrectly computed, such sum shall be credited on any taxes then due from the  
137 person legally obligated to remit the tax pursuant to sections 144.010 to 144.510  
138 against any deficiency or tax due discovered through an audit of the person by the  
139 department of revenue through adjustment during the same tax filing period for  
140 which the audit applied.

141           **11. A cause of action against the seller by a purchaser for a tax**  
142 **erroneously or illegally collected under this chapter does not accrue**  
143 **until a purchaser has provided written notice to a seller and the seller**  
144 **has had sixty days to respond. Such notice to the seller must contain**  
145 **the information necessary to determine the validity of the request. A**

146 **seller shall be presumed to have a reasonable business practice if in the**  
147 **collection of such tax, the seller uses a provider or a system certified**  
148 **by the director and has remitted to the state all tax collected less any**  
149 **deductions, credits, or allowances.**

144.210. 1. The burden of proving that a sale of tangible personal  
2 property, services, substances or things was not a sale at retail shall be upon the  
3 person who made the sale, except that with respect to sales, services, or  
4 transactions provided for in section 144.070. [The seller shall obtain and  
5 maintain exemption certificates signed by the purchaser or his agent as evidence  
6 for any exempt sales claimed; provided, however, that before any administrative  
7 tribunal of this state, a seller may prove that sale is exempt from tax under this  
8 chapter in accordance with proof admissible under the applicable rules of  
9 evidence; except that when a purchaser has purchased tangible personal property  
10 or services sales tax free under a claim of exemption which is found to be  
11 improper, the director of revenue may collect the proper amount of tax, interest,  
12 additions to tax and penalty from the purchaser directly. Any tax, interest,  
13 additions to tax or penalty collected by the director from the purchaser shall be  
14 credited against the amount otherwise due from the seller on the purchases or  
15 sales where the exemption was claimed.]

16 2. If the director of revenue is not satisfied with the return and payment  
17 of the tax made by any person, he is hereby authorized and empowered to make  
18 an additional assessment of tax due from such person, based upon the facts  
19 contained in the return or upon any information within his possession or that  
20 shall come into his possession.

21 3. The director of revenue shall give to the person written notice of such  
22 additional or revised assessment by certified or registered mail to the person at  
23 his or its last known address.

**144.212. 1. In addition to all other provisions of law provided for**  
2 **exemptions, when an exemption is claimed by a purchaser:**

3 **(1) The seller shall obtain identifying information of the**  
4 **purchaser and the reason for claiming a tax exemption at the time of**  
5 **the purchase;**

6 **(2) A purchaser shall not be required to provide a signature to**  
7 **claim an exemption from tax unless a paper exemption certificate is**  
8 **used;**

9 **(3) The seller shall use the standard form for claiming an**

10 exemption electronically prescribed by the director of the department  
11 of revenue and acceptable to the streamlined sales and use tax  
12 governing board;

13 (4) The seller shall obtain the same information for proof of a  
14 claimed exemption regardless of the medium in which the transaction  
15 occurred;

16 (5) The seller shall maintain proper records of exempt  
17 transactions and provide such records to the director of the  
18 department of revenue or the director's designee upon request;

19 (6) In the case of drop shipment sales, a third-party vendor, such  
20 as a drop shipper, may claim a resale exemption based on an exemption  
21 certificate provided by its customer or any other acceptable  
22 information available to the third-party vendor evidencing  
23 qualification for a resale exemption, regardless of whether the  
24 customer is registered to collect and remit sales and use tax in the state  
25 where the sale is sourced.

26 2. Sellers that comply with the requirements of this section shall  
27 be relieved from collecting and remitting tax otherwise applicable if it  
28 is determined that the purchaser improperly claimed an exemption and  
29 such purchaser shall be liable for the nonpayment of tax. Relief from  
30 liability provided under this section shall not apply to a seller who  
31 fraudulently fails to collect tax; to a seller who solicits purchasers to  
32 participate in the unlawful claim of an exemption; to a seller who  
33 accepts an exemption certificate when the purchaser claims an entity-  
34 based exemption when the subject of the transaction sought to be  
35 covered by the exemption certificate is actually received by the  
36 purchaser at a location operated by the seller and the state in which  
37 that location resides provides an exemption certificate that clearly and  
38 affirmatively indicates that the claimed exemption is not available in  
39 such state; or to a seller who accepts an exemption certificate claiming  
40 multiple points of use for tangible personal property other than  
41 computer software for which an exemption claiming multiple points of  
42 use.

43 (1) A seller shall be relieved from collecting and remitting tax  
44 otherwise applicable if the seller obtains a fully completed exemption  
45 certificate or captures the relevant data elements required under the  
46 agreement within ninety days subsequent to the date of sale.

47           **(2) If a seller fails to obtain an exemption certificate or all**  
48 **relevant data elements as provided in this section, the seller may,**  
49 **within one hundred twenty days subsequent to a request for**  
50 **substantiation by the director of the department of revenue or the**  
51 **director's designee, either prove that the transaction was not subject**  
52 **to tax by other means or obtain a fully completed exemption certificate**  
53 **from the purchaser, taken in good faith.**

54           **3. Nothing in this section shall affect the ability of the director**  
55 **of the department of revenue or the director's designee to require**  
56 **purchasers to update exemption certificate information or to reapply**  
57 **with the state to claim certain exemptions.**

58           **4. Notwithstanding the provisions of subsection 2 of this section**  
59 **to the contrary, the director shall relieve a seller of the tax otherwise**  
60 **applicable if the seller obtains a blanket exemption certificate for a**  
61 **purchaser with which the seller has a recurring business**  
62 **relationship. The director shall not request from the seller renewal of**  
63 **blanket certificates or updates of exemption certificate information or**  
64 **data elements when there is a recurring business relationship between**  
65 **the buyer and seller. For purposes of this section, a recurring business**  
66 **relationship exists when a period of no more than twelve months**  
67 **elapses between sales transactions.**

144.285. 1. [In order to permit sellers required to collect and report the  
2 sales tax to collect the amount required to be reported and remitted, but not to  
3 change the requirements of reporting or remitting tax or to serve as a levy of the  
4 tax, and in order to avoid fractions of pennies, the director of revenue shall  
5 establish brackets, showing the amounts of tax to be collected on sales of specified  
6 amounts, which shall be applicable to all taxable transactions] **When the seller**  
7 **is computing the amount of tax owed by the purchaser and remitted to**  
8 **the state:**

9           **(1) Tax computation shall be carried to the third decimal place;**  
10 **and**

11           **(2) The tax shall be rounded to a whole cent using a method that**  
12 **rounds up to the next cent whenever the third decimal place is greater**  
13 **than four.**

14           **2. [In all instances where statements covering taxable purchases are**  
15 **rendered to the taxpayer on a monthly or other periodic basis, the amount of tax**

16 shall be determined by applying the applicable tax rate to the taxable purchases  
17 represented on the statement, rounded to the nearest whole cent, or by  
18 application of the brackets established by the director of revenue, at the option  
19 of the retail vendor] **Sellers may elect to compute the tax due on a**  
20 **transaction on an item or an invoice basis. The provision of this**  
21 **subsection may be applied to the aggregated state and local taxes.**

22 3. No vendor or seller shall knowingly charge or receive from a purchaser  
23 as a sales tax any sum in excess of the sums provided for in this section.

24 4. [A vendor may, at his option, determine the amount charged to and  
25 received from each purchaser by use of a formula which applies the applicable tax  
26 rate to each taxable purchase, rounded to the nearest whole cent. The formula  
27 shall be uniformly and consistently applied to all purchases similarly situated.

28 5.] Amounts which a vendor charges to and receives from the purchaser  
29 in accordance with this section shall not be includable in his gross receipts if the  
30 amounts are separately charged or stated.

31 [6.] 5. If sales tax for one or more local political subdivisions is owed by  
32 a taxpayer pursuant to chapter 66, 67, 92, or 94 and that taxpayer remits less  
33 than all sales tax due for a filing period specified in section 144.080, the director  
34 of revenue shall deposit the tax remitted proportionately to each taxing  
35 jurisdiction in accordance with the percentage that each such jurisdiction's share  
36 of the tax due for the filing period bears to the total tax due from such taxpayer  
37 for such period. The unpaid balance due along with penalties and interest shall  
38 be similarly prorated among the state and all local jurisdictions for which tax was  
39 due during the filing period for which an underpayment occurs. The provisions  
40 of this subsection shall apply to all returns or remittances relating to sales made  
41 on or after January 1, 1984.

144.526. 1. This section shall be known and may be cited as the "Show  
2 Me Green Sales Tax Holiday".

3 2. [For purposes of this section, the following terms mean:

4 (1) "Appliance", clothes washers and dryers, water heaters, trash  
5 compactors, dishwashers, conventional ovens, ranges, stoves, air conditioners,  
6 furnaces, refrigerators and freezers; and

7 (2) "Energy star certified", any appliance approved by both the United  
8 States Environmental Protection Agency and the United States Department of  
9 Energy as eligible to display the energy star label, as amended from time to time.

10 3.] In each year beginning on or after January 1, 2009, there is hereby

11 specifically exempted from state sales tax law all retail sales of any [energy star  
12 certified] new appliance **that is an energy star qualified product with a**  
13 **sales price of**, up to one thousand five hundred dollars per appliance, during a  
14 seven-day period beginning at 12:01 a.m. on April nineteenth and ending at  
15 midnight on April twenty-fifth. **Where a purchaser and seller are located**  
16 **in two different time zones, the time zone of the seller's location shall**  
17 **determine the authorized exemption period.**

18 [4.] **3.** A political subdivision may allow the sales tax holiday under this  
19 section to apply to its local sales taxes by enacting an ordinance to that  
20 effect. Any such political subdivision shall notify the department of revenue not  
21 less than forty-five calendar days prior to the beginning date of the sales tax  
22 holiday occurring in that year of any such ordinance or order.

23 [5.] **4.** This section may not apply to any retailer when less than two  
24 percent of the retailer's merchandise offered for sale qualifies for the sales tax  
25 holiday. The retailer shall offer a sales tax refund in lieu of the sales tax holiday.

26 **5. A sale of property which is eligible for an exemption under**  
27 **subsection 1 of this section but is purchased under a layaway sale shall**  
28 **only qualify for an exemption if:**

29 (1) **Final payment on a layaway order is made by, and the**  
30 **property is given to, the purchaser during the exemption period; or**

31 (2) **The purchaser selects the property and the seller accepts the**  
32 **order for the property during the exemption period, for immediate**  
33 **delivery upon full payment, even if delivery is made after the**  
34 **exemption period.**

35 **6. The exemption of a bundled transaction shall be calculated as**  
36 **provided by law for all other bundled transactions.**

37 (1) **For any discount offered by a seller that is a reduction of**  
38 **the sales price of the product, the discounted sales price shall**  
39 **determine whether the sales price falls below the price threshold**  
40 **provided in subsection 1 of this section. A coupon that reduces the**  
41 **sales price shall be treated as a discount only if the seller is not**  
42 **reimbursed for the coupon amount by a third party.**

43 (2) **If a discount applies to the total amount paid by a purchaser**  
44 **rather than to the sales price of a particular product and the purchaser**  
45 **has purchased both exempt property and taxable property, the seller**  
46 **shall allocate the discount based on the total sales prices of the taxable**

47 property compared to the total sales prices of all property sold in the  
48 same transaction.

49 8. Items that are normally sold as a single unit shall continue to  
50 be sold in that manner and shall not be priced separately and sold as  
51 individual items.

52 9. Items that are purchased during an exemption period but that  
53 are not delivered to the purchaser until after the exemption period due  
54 to the item not being in stock shall qualify for an exemption. The  
55 provisions of this subsection shall not apply to an item that was  
56 delivered during an exemption period but was purchased prior to or  
57 after the exemption period.

58 10. (1) If a purchaser purchases an item of eligible property  
59 during an exemption period, but later exchanges the item for a similar  
60 eligible item after the exemption period, no additional tax shall be due  
61 on the new item.

62 (2) If a purchaser purchases an item of eligible property during  
63 an exemption period, but later returns the item after the exemption  
64 period and receives credit on the purchase of a different nonexempt  
65 item, the appropriate sales tax shall be due on the sale of the newly  
66 purchased item.

67 (3) If a purchaser purchases an item of eligible property before  
68 an exemption period, but during the exemption period returns the item  
69 and receives credit on the purchase of a different item of eligible  
70 property, no sales tax shall be due on the sale of the new item if the  
71 new item is purchased during the exemption period.

72 (4) For a sixty day period immediately following the end of the  
73 exemption period, if a purchaser returns an exempt item no credit for  
74 or refund of sales tax shall be given unless the purchaser provides a  
75 receipt or invoice that shows tax was paid, or the seller has sufficient  
76 documentation to show that tax was paid on the item being returned.

77 11. For items that require delivery, an item shall be considered  
78 exempt if:

79 (1) The item is both delivered to and paid for by the purchaser  
80 during the exemption period; or

81 (2) The purchaser orders and pays for the item and the seller  
82 accepts the order during the exemption period for immediate shipment,  
83 even if delivery is made after the exemption period. For the purposes

84 of this subdivision, a seller shall be considered to have accepted an  
85 order when the seller has taken action to fill the order for immediate  
86 shipment. Actions to fill an order shall include placement of an "in  
87 date" stamp on a mail order or the assignment of an "order number" to  
88 a telephone order. An order shall be considered for immediate  
89 shipment when the purchaser does not request delayed shipment. An  
90 order shall be considered for immediate shipment notwithstanding a  
91 shipment that may be delayed because of a backlog of orders or  
92 because an item is currently unavailable or on back order.

144.600. 1. This law may be cited as the "Compensating Use Tax Law".

2 2. All provisions in sections 144.010 to 144.527 with respect to  
3 sales into this state by out-of-state sellers apply to the Compensating  
4 Use Tax Law.

144.612. A vendor is required to register with the director under  
2 this chapter for the collection and remittance of use tax if the vendor  
3 is engaged in business activities within this state. For purposes of this  
4 chapter, "engages in business activities within this state" includes:

5 (1) Maintaining or having a franchisee or licensee operating  
6 under the seller's trade name in this state if the franchisee or licensee  
7 is required to collect sales tax pursuant to sections 144.010 to 144.525;

8 (2) Soliciting sales or taking orders by sales agents or traveling  
9 representatives;

10 (3) A vendor is presumed to engage in business activities within  
11 this state if any person, other than a common carrier acting in its  
12 capacity as such, that has substantial nexus with this state:

13 (a) Sells a similar line of products as the vendor and does so  
14 under the same or a similar business name;

15 (b) Maintains an office, distribution facility, warehouse, or  
16 storage place, or similar place of business in the state to facilitate the  
17 delivery of property or services sold by the vendor to the vendor's  
18 customers;

19 (c) Delivers, installs, assembles, or performs maintenance  
20 services for the vendor's customers within the state;

21 (d) Facilitates the vendor's delivery of property to customers in  
22 the state by allowing the vendor's customers to pick up property sold  
23 by the vendor at an office, distribution facility, warehouse, storage  
24 place, or similar place of business maintained by the person in the

25 state; or

26 (e) Conducts any other activities in the state that are  
27 significantly associated with the vendor's ability to establish and  
28 maintain a market in the state for the sales;

29 (4) The presumption in subdivision (3) of this section may be  
30 rebutted by demonstrating that the person's activities in the state are  
31 not significantly associated with the vendor's ability to establish or  
32 maintain a market in this state for the vendor's sales;

33 (5) Notwithstanding subdivision (3) of this section, a vendor shall  
34 be presumed to engage in business activities within this state if the  
35 vendor enters into an agreement with one or more residents of this  
36 state under which the resident, for a commission or other  
37 consideration, directly or indirectly refers potential customers,  
38 whether by a link on an internet website, an in-person oral  
39 presentation, telemarketing, or otherwise, to the vendor, if the  
40 cumulative gross receipts from sales by the vendor to customers in the  
41 state who are referred to the vendor by all residents with this type of  
42 an agreement with the vendor is in excess of ten thousand dollars  
43 during the preceding twelve months;

44 (6) The presumption in subdivision (5) of this section may be  
45 rebutted by submitting proof that the residents with whom the vendor  
46 has an agreement did not engage in any activity within the state that  
47 was significantly associated with the vendor's ability to establish or  
48 maintain the vendor's market in the state during the preceding twelve  
49 months. Such proof may consist of sworn written statements from all  
50 of the residents with whom the vendor has an agreement stating that  
51 they did not engage in any solicitation in the state on behalf of the  
52 vendor during the preceding year provided that such statements were  
53 provided and obtained in good faith.

144.655. 1. Every vendor, on or before the last day of the month following  
2 each calendar quarterly period of three months, shall file with the director of  
3 revenue a return of all taxes collected for the preceding quarter in the form  
4 prescribed by the director of revenue, showing the total sales price of the tangible  
5 personal property sold by the vendor, the storage, use or consumption of which  
6 is subject to the tax levied by this law, and other information the director of  
7 revenue deems necessary. The return shall be accompanied by a remittance of  
8 the amount of the tax required to be collected by the vendor during the period

9 covered by the return. Returns shall be signed by the vendor or the vendor's  
10 authorized agent. The director of revenue may promulgate rules or regulations  
11 changing the filing and payment requirements of vendors, but shall not require  
12 any vendor to file and pay more frequently than required in this section.

13 2. Where the aggregate amount of tax required to be collected by a vendor  
14 is in excess of two hundred and fifty dollars for either the first or second month  
15 of a calendar quarter, the vendor shall pay such aggregate amount for such  
16 months to the director of revenue by the twentieth day of the succeeding  
17 month. The amount so paid shall be allowed as a credit against the liability  
18 shown on the vendor's quarterly return required by this section.

19 3. Where the aggregate amount of tax required to be collected by a vendor  
20 is less than forty-five dollars in a calendar quarter, the director of revenue shall  
21 by regulation permit the vendor to file a return for a calendar year. The return  
22 shall be filed and the taxes paid on or before January thirty-first of the  
23 succeeding year.

24 4. Except as provided in subsection 5 of this section, every person  
25 purchasing tangible personal property, the storage, use or consumption of which  
26 is subject to the tax levied by sections 144.600 to 144.748, who has not paid the  
27 tax due to a vendor registered in accordance with the provisions of section  
28 144.650, shall file with the director of revenue a return for the preceding  
29 reporting period in the form and manner that the director of revenue prescribes,  
30 showing the total sales price of the tangible property purchased during the  
31 preceding reporting period and any other information that the director of revenue  
32 deems necessary for the proper administration of sections 144.600 to  
33 144.748. The return shall be accompanied by a remittance of the amount of the  
34 tax required by sections 144.600 to 144.748 to be paid by the person. Returns  
35 shall be signed by the person liable for the tax or such person's duly authorized  
36 agent. For purposes of this subsection, the reporting period shall be determined  
37 by the director of revenue and may be a calendar quarter or a calendar  
38 year. Annual returns and payments required by the director pursuant to this  
39 subsection shall be due on or before April fifteenth of the year for the preceding  
40 calendar year and quarterly returns and payments shall be due on or before the  
41 last day of the month following each calendar period of three months. Upon the  
42 taxpayer's request, the director may allow the filing of such returns and payments  
43 on a monthly basis. If a taxpayer elects to file a monthly return and payment,  
44 such return and payment shall be due on or before the twentieth day of the

45 succeeding month.

46           5. Any person purchasing tangible personal property subject to the taxes  
47 imposed by sections 144.600 to 144.748 shall not be required to file a use tax  
48 return with the director of revenue if such purchases on which such taxes were  
49 not paid do not exceed in the aggregate two thousand dollars in any calendar  
50 year.

51           6. Nothing in subsection 5 of this section shall relieve a vendor of liability  
52 to collect the tax imposed pursuant to sections 144.600 to 144.748 on the total  
53 gross receipts of all sales of tangible personal property used, stored or consumed  
54 in this state and to remit all taxes collected to the director of revenue in  
55 accordance with the provisions of this section nor shall it relieve a purchaser from  
56 paying such taxes to a vendor registered in accordance with the provisions of  
57 section 144.650.

58           **7. Any out-of-state seller which is not legally required to register**  
59 **for use tax in this state but chooses to collect and remit use tax under**  
60 **sections 144.600 to 144.761 shall file a return for the calendar year. The**  
61 **return shall be filed and the taxes paid on or before January thirty-**  
62 **first of the succeeding year.**

144.759. 1. All local use taxes collected by the director of revenue  
2 pursuant to sections 144.757 to 144.761 on behalf of any county or municipality,  
3 less one percent for cost of collection, which shall be deposited in the state's  
4 general revenue fund after payment of premiums for surety bonds as provided in  
5 section 32.087 shall be deposited with the state treasurer in a local use tax trust  
6 fund, which fund shall be separate and apart from the local sales tax trust  
7 funds. The moneys in such local use tax trust fund shall not be deemed to be  
8 state funds and shall not be commingled with any funds of the state. The  
9 director of revenue shall keep accurate records of the amount of money in the  
10 trust fund which was collected in each county or municipality imposing a local  
11 use tax, and the records shall be open to the inspection of officers of the county  
12 or municipality and to the public. No later than the tenth day of each month, the  
13 director of revenue shall distribute all moneys deposited in the trust fund during  
14 the preceding month, except as provided in subsection 2 of this section, to the  
15 county or municipality treasurer, or such other officer as may be designated by  
16 the county or municipality ordinance or order, of each county or municipality  
17 imposing the tax authorized by sections 144.757 to 144.761, the sum due the  
18 county or municipality as certified by the director of revenue.

19           2. The director of revenue shall distribute all moneys which would be due  
20 any county having a charter form of government and having a population of nine  
21 hundred thousand or more to the county treasurer or such other officer as may  
22 be designated by county ordinance, who shall distribute such moneys as follows:  
23 the portion of the use tax imposed by the county which equals one-half the rate  
24 of sales tax in effect for such county shall be disbursed to the county treasurer for  
25 expenditure throughout the county for public safety, parks, and job creation,  
26 subject to any qualifications and regulations adopted by ordinance of the  
27 county. Such ordinance shall require an audited comprehensive financial report  
28 detailing the management and use of such funds each year. Such ordinance shall  
29 also require that the county and the municipal league of the county jointly  
30 prepare a strategy to guide expenditures of funds and conduct an annual review  
31 of the strategy. The treasurer or such other officer as may be designated by  
32 county ordinance shall distribute one-third of the balance to the county and to  
33 each city, town and village in group B according to section 66.620 as modified by  
34 this section, a portion of the two-thirds remainder of such balance equal to the  
35 percentage ratio that the population of each such city, town or village bears to the  
36 total population of all such group B cities, towns and villages. For the purposes  
37 of this subsection, population shall be determined by the last federal decennial  
38 census or the latest census that determines the total population of the county and  
39 all political subdivisions therein. For the purposes of this subsection, each city,  
40 town or village in group A according to section 66.620 but whose per capita sales  
41 tax receipts during the preceding calendar year pursuant to sections 66.600 to  
42 66.630 were less than the per capita countywide average of all sales tax receipts  
43 during the preceding calendar year, shall be treated as a group B city, town or  
44 village until the per capita amount distributed to such city, town or village equals  
45 the difference between the per capita sales tax receipts during the preceding  
46 calendar year and the per capita countywide average of all sales tax receipts  
47 during the preceding calendar year.

48           3. The director of revenue may authorize the state treasurer to make  
49 refunds from the amounts in the trust fund and credited to any county or  
50 municipality for erroneous payments and overpayments made, and may redeem  
51 dishonored checks and drafts deposited to the credit of such counties or  
52 municipalities. If any county or municipality abolishes the tax, the county or  
53 municipality shall notify the director of revenue of the action [at least ninety days  
54 prior to the effective date of the repeal,] and the director of revenue may order

55 retention in the trust fund, for a period of one year, of two percent of the amount  
56 collected after receipt of such notice to cover possible refunds or overpayment of  
57 the tax and to redeem dishonored checks and drafts deposited to the credit of  
58 such accounts. After one year has elapsed after the effective date of abolition of  
59 the tax in such county or municipality, the director of revenue shall authorize the  
60 state treasurer to remit the balance in the account to the county or municipality  
61 and close the account of that county or municipality. The director of revenue  
62 shall notify each county or municipality of each instance of any amount refunded  
63 or any check redeemed from receipts due the county or municipality.

64 4. Except as modified in sections 144.757 to 144.761, all provisions of  
65 sections 32.085 [and] to 32.087 applicable to the local sales tax, except for  
66 subsection 12 of section 32.087, and all provisions of sections 144.600 to 144.745  
67 shall apply to the tax imposed pursuant to sections 144.757 to 144.761, and the  
68 director of revenue shall perform all functions incident to the administration,  
69 collection, enforcement, and operation of the tax.

144.761. 1. No county or municipality imposing a local use tax pursuant  
2 to sections 144.757 to 144.761 may repeal or amend such local use tax unless  
3 such repeal or amendment is submitted to and approved by the voters of the  
4 county or municipality in the manner provided in section 144.757; provided,  
5 however, that the repeal of the local sales tax within the county or municipality  
6 shall be deemed to repeal the local use tax imposed pursuant to sections 144.757  
7 to 144.761.

8 2. Whenever the governing body of any county or municipality in which  
9 a local use tax has been imposed in the manner provided by sections 144.757 to  
10 144.761 receives a petition, signed by fifteen percent of the registered voters of  
11 such county or municipality voting in the last gubernatorial election, calling for  
12 an election to repeal such local use tax, the governing body shall submit to the  
13 voters of such county or municipality a proposal to repeal the county or  
14 municipality use tax imposed pursuant to sections 144.757 to 144.761. If a  
15 majority of the votes cast on the proposal by the registered voters voting thereon  
16 are in favor of the proposal to repeal the local use tax, then the ordinance or  
17 order imposing the local use tax, along with any amendments thereto, is repealed.  
18 If a majority of the votes cast by the registered voters voting thereon are opposed  
19 to the proposal to repeal the local use tax, then the ordinance or order imposing  
20 the local use tax, along with any amendments thereto, shall remain in  
21 effect. **Subsection 19 of section 32.087 shall apply to such repeal of the**

22 **tax authorized under sections 144.757 to 144.761.**

148.622. 1. For all tax years beginning in a calendar year in  
2 which there is a reduction in the rate of tax imposed under section  
3 143.071, there shall be a corresponding and proportional reduction in  
4 the rate of tax imposed under sections 148.030, 148.140, and  
5 148.620. The reduced rate shall be the applicable rate in each  
6 subsequent calendar year.

7 2. The reduction provided for in subsection 1 of this section shall  
8 occur each year there is a reduction in the rate of tax imposed under  
9 section 143.071, including a reduction in the rate of tax by operation of  
10 any other provision of law or by the constitution.

11 3. If any reduction provided for under this section occurs, the  
12 director of the department of revenue shall publish such new rate prior  
13 to the tax year in which the new rate shall take effect.

184.845. 1. The board of the district may impose a museum and cultural  
2 district sales tax by resolution on all retail sales made in such museum and  
3 cultural district which are subject to [taxation pursuant to the provisions of  
4 sections 144.010 to 144.525] **sales tax under chapter 144**. Such museum and  
5 cultural district sales tax may be imposed for any museum or cultural purpose  
6 designated by the board of the museum and cultural district. If the resolution is  
7 adopted the board of the district may submit the question of whether to impose  
8 a sales tax authorized by this section to the qualified voters, who shall have the  
9 same voting interests as with the election of members of the board of the district.

10 2. The sales tax authorized by this section shall become effective [on the  
11 first day of the second calendar quarter following adoption of the tax by the board  
12 or qualified voters] **as provided in subsection 19 of section 32.087**, if the  
13 board elects to submit the question of whether to impose a sales tax to the  
14 qualified voters.

15 3. In each museum and cultural district in which a sales tax has been  
16 imposed in the manner provided by this section, every retailer shall add the tax  
17 imposed by the museum and cultural district pursuant to this section to the  
18 retailer's sale price, and when so added such tax shall constitute a part of the  
19 price, shall be a debt of the purchaser to the retailer until paid, and shall be  
20 recoverable at law in the same manner as the purchase price.

21 4. In order to permit sellers required to collect and report the sales tax  
22 authorized by this section to collect the amount required to be reported and

23 remitted, but not to change the requirements of reporting or remitting tax or to  
24 serve as a levy of the tax, and in order to avoid fractions of pennies, the [museum  
25 and cultural district may establish appropriate brackets which shall be used in  
26 the district imposing a tax pursuant to this section in lieu of those brackets  
27 provided in] **tax shall be calculated as authorized by the provisions of**  
28 section 144.285.

29         5. All revenue received by a museum and cultural district from the tax  
30 authorized by this section which has been designated for a certain museum or  
31 cultural purpose shall be deposited in a special trust fund and shall be used  
32 solely for such designated purpose. All funds remaining in the special trust fund  
33 shall continue to be used solely for such designated museum or cultural  
34 purpose. Any funds in such special trust fund which are not needed for current  
35 expenditures may be invested by the board of directors in accordance with  
36 applicable laws relating to the investment of other museum or cultural district  
37 funds.

38         6. The sales tax may be imposed at a rate of one-half of one percent,  
39 three-fourths of one percent or one percent on the receipts from the sale at retail  
40 of all tangible personal property or taxable services at retail within the museum  
41 and cultural district adopting such tax, if such property and services are subject  
42 to taxation by the state of Missouri [pursuant to the provisions of sections  
43 144.010 to 144.525] **under chapter 144**. Any museum and cultural district  
44 sales tax imposed pursuant to this section shall be imposed at a rate that shall  
45 be uniform throughout the district.

46         7. On and after the effective date of any tax imposed pursuant to this  
47 section, the [museum and cultural district] **director of revenue** shall perform  
48 all functions incident to the administration, collection, enforcement, and operation  
49 of the tax. The tax imposed pursuant to this section shall be collected and  
50 reported upon such forms and under such administrative rules and regulations  
51 as may be prescribed by the [museum and cultural district] **director of**  
52 **revenue**.

53         8. All applicable provisions contained in sections 144.010 to 144.525  
54 governing the state sales tax, sections 32.085 [and] **to** 32.087, and section 32.057,  
55 the uniform confidentiality provision, shall apply to the collection of the tax  
56 imposed by this section, except as modified in this section. All revenue collected  
57 under this section by the director of the department of revenue on behalf of the  
58 museum and cultural districts[, except for one percent for the cost of collection

59 which shall be deposited in the state's general revenue fund,] shall be deposited  
60 in a special trust fund, which is hereby created and shall be known as the  
61 "Missouri Museum Cultural District Tax Fund", and shall be used solely for such  
62 designated purpose. [Moneys in the fund shall not be deemed to be state funds,  
63 and shall not be commingled with any funds of the state.] The director may make  
64 refunds from the amounts in the fund and credited to the district for erroneous  
65 payments and overpayments made, and may redeem dishonored checks and drafts  
66 deposited to the credit of such county.

67 9. All exemptions granted to agencies of government, organizations,  
68 persons and to the sale of certain articles and items of tangible personal property  
69 and taxable services pursuant to the provisions of sections 144.010 to 144.525 are  
70 hereby made applicable to the imposition and collection of the tax imposed by this  
71 section.

72 10. The same sales tax permit, exemption certificate and retail certificate  
73 required by sections 144.010 to 144.525 for the administration and collection of  
74 the state sales tax shall satisfy the requirements of this section, and no  
75 additional permit or exemption certificate or retail certificate shall be required;  
76 except that the museum and cultural district may prescribe a form of exemption  
77 certificate for an exemption from the tax imposed by this section.

78 11. The penalties provided in section 32.057 and sections 144.010 to  
79 144.525 for violation of those sections are hereby made applicable to violations  
80 of this section.

81 12. [For the purpose of a sales tax imposed by a resolution pursuant to  
82 this section, all retail sales except retail sales of motor vehicles shall be deemed  
83 to be consummated at the place of business of the retailer unless the tangible  
84 personal property sold is delivered by the retailer or the retailer's agent to an  
85 out-of-state destination or to a common carrier for delivery to an out-of-state  
86 destination. In the event a retailer has more than one place of business in this  
87 state which participates in the sale, the sale shall be deemed to be consummated  
88 at the place of business of the retailer where the initial order for the tangible  
89 personal property is taken, even though the order shall be forwarded elsewhere  
90 for acceptance, approval of credit, shipment or billing. A sale by a retailer's  
91 employee shall be deemed to be consummated at the place of business from which  
92 the employee works.

93 13.] All sales taxes collected by the museum and cultural district shall be  
94 deposited by the museum and cultural district in a special fund to be expended

95 for the purposes authorized in this section. The museum and cultural district  
 96 shall keep accurate records of the amount of money which was collected pursuant  
 97 to this section, and the records shall be open to the inspection by the officers and  
 98 directors of each museum and cultural district and the Missouri department of  
 99 revenue. Tax returns filed by businesses within the district shall otherwise be  
 100 considered as confidential in the same manner as sales tax returns filed with the  
 101 Missouri department of revenue.

102 [14.] **13.** No museum and cultural district imposing a sales tax pursuant  
 103 to this section may repeal or amend such sales tax unless such repeal or  
 104 amendment will not impair the district's ability to repay any liabilities which it  
 105 has incurred, money which it has borrowed or revenue bonds, notes or other  
 106 obligations which it has issued or which have been issued to finance any project  
 107 or projects.

108 **14. Except as modified in this section, all provisions of sections**  
 109 **32.085 to 32.087 shall apply to the tax imposed under this section.**

221.407. 1. The commission of any regional jail district may impose, by  
 2 order, a sales tax in the amount of one-eighth of one percent, one-fourth of one  
 3 percent, three-eighths of one percent, or one-half of one percent on all retail sales  
 4 made in such region which are subject to taxation [pursuant to the provisions of  
 5 sections 144.010 to 144.525] **under chapter 144** for the purpose of providing jail  
 6 services and court facilities and equipment for such region. The tax authorized  
 7 by this section shall be in addition to any and all other sales taxes allowed by  
 8 law, except that no order imposing a sales tax pursuant to this section shall be  
 9 effective unless the commission submits to the voters of the district, on any  
 10 election date authorized in chapter 115, a proposal to authorize the commission  
 11 to impose a tax.

12 2. The ballot of submission shall contain, but need not be limited to, the  
 13 following language:

14 Shall the regional jail district of \_\_\_\_\_ (counties' names) impose  
 15 a region-wide sales tax of \_\_\_\_\_ (insert amount) for the purpose of  
 16 providing jail services and court facilities and equipment for the  
 17 region?

18  YES  NO

19 If you are in favor of the question, place an "X" in the box opposite  
 20 "YES". If you are opposed to the question, place an "X" in the box  
 21 opposite "NO".

22 If a majority of the votes cast on the proposal by the qualified voters of the  
23 district voting thereon are in favor of the proposal, then the order and any  
24 amendment to such order shall be in effect [on the first day of the second quarter  
25 immediately following the election approving the proposal] **as provided by**  
26 **subsection 19 of section 32.087.** If the proposal receives less than the  
27 required majority, the commission shall have no power to impose the sales tax  
28 authorized pursuant to this section unless and until the commission shall again  
29 have submitted another proposal to authorize the commission to impose the sales  
30 tax authorized by this section and such proposal is approved by the required  
31 majority of the qualified voters of the district voting on such proposal; however,  
32 in no event shall a proposal pursuant to this section be submitted to the voters  
33 sooner than twelve months from the date of the last submission of a proposal  
34 pursuant to this section.

35 3. All revenue received by a district from the tax authorized pursuant to  
36 this section shall be deposited in a special trust fund and shall be used solely for  
37 providing jail services and court facilities and equipment for such district for so  
38 long as the tax shall remain in effect.

39 4. Once the tax authorized by this section is abolished or terminated by  
40 any means, all funds remaining in the special trust fund shall be used solely for  
41 providing jail services and court facilities and equipment for the district. Any  
42 funds in such special trust fund which are not needed for current expenditures  
43 may be invested by the commission in accordance with applicable laws relating  
44 to the investment of other county funds.

45 5. All sales taxes collected by the director of revenue pursuant to this  
46 section on behalf of any district[, less one percent for cost of collection which shall  
47 be deposited in the state's general revenue fund after payment of premiums for  
48 surety bonds as provided in section 32.087,] shall be deposited in a special trust  
49 fund, which is hereby created, to be known as the "Regional Jail District Sales  
50 Tax Trust Fund". [The moneys in the regional jail district sales tax trust fund  
51 shall not be deemed to be state funds and shall not be commingled with any funds  
52 of the state.] The director of revenue shall keep accurate records of the amount  
53 of money in the trust fund which was collected in each district imposing a sales  
54 tax pursuant to this section, and the records shall be open to the inspection of  
55 officers of each member county and the public. Not later than the tenth day of  
56 each month the director of revenue shall distribute all moneys deposited in the  
57 trust fund during the preceding month to the district which levied the tax. Such

58 funds shall be deposited with the treasurer of each such district, and all  
59 expenditures of funds arising from the regional jail district sales tax trust fund  
60 shall be paid pursuant to an appropriation adopted by the commission and shall  
61 be approved by the commission. Expenditures may be made from the fund for  
62 any function authorized in the order adopted by the commission submitting the  
63 regional jail district tax to the voters.

64 6. The director of revenue may make refunds from the amounts in the  
65 trust fund and credited to any district for erroneous payments and overpayments  
66 made, and may redeem dishonored checks and drafts deposited to the credit of  
67 such districts. If any district abolishes the tax, the commission shall notify the  
68 director of revenue of the action [at least ninety days prior to the effective date  
69 of the repeal,] and the director of revenue may order retention in the trust fund,  
70 for a period of one year, of two percent of the amount collected after receipt of  
71 such notice to cover possible refunds or overpayment of the tax and to redeem  
72 dishonored checks and drafts deposited to the credit of such accounts. After one  
73 year has elapsed after the effective date of abolition of the tax in such district,  
74 the director of revenue shall remit the balance in the account to the district and  
75 close the account of that district. The director of revenue shall notify each  
76 district in each instance of any amount refunded or any check redeemed from  
77 receipts due the district.

78 7. Except as provided in this section, all provisions of sections 32.085  
79 [and] to 32.087 shall apply to the tax imposed pursuant to this section.

80 8. The provisions of this section shall expire September 30, 2028.

238.235. 1. (1) Any transportation development district may by  
2 resolution impose a transportation development district sales tax on all retail  
3 sales made in such transportation development district which are subject to  
4 taxation [pursuant to the provisions of sections 144.010 to 144.525] **under**  
5 **chapter 144**, except such transportation development district sales tax shall not  
6 apply to the sale or use of motor vehicles, trailers, boats or outboard motors [nor  
7 to all sales of electricity or electrical current, water and gas, natural or artificial,  
8 nor to sales of service to telephone subscribers, either local or long distance],  
9 **electricity piped natural or artificial gas, or other fuels delivered by**  
10 **the seller**. Such transportation development district sales tax may be imposed  
11 for any transportation development purpose designated by the transportation  
12 development district in its ballot of submission to its qualified voters, except that  
13 no resolution enacted pursuant to the authority granted by this section shall be

14 effective unless:

15 (a) The board of directors of the transportation development district  
16 submits to the qualified voters of the transportation development district a  
17 proposal to authorize the board of directors of the transportation development  
18 district to impose or increase the levy of an existing tax pursuant to the  
19 provisions of this section; or

20 (b) The voters approved the question certified by the petition filed  
21 pursuant to subsection 5 of section 238.207.

22 (2) If the transportation district submits to the qualified voters of the  
23 transportation development district a proposal to authorize the board of directors  
24 of the transportation development district to impose or increase the levy of an  
25 existing tax pursuant to the provisions of paragraph (a) of subdivision (1) of this  
26 subsection, the ballot of submission shall contain, but need not be limited to, the  
27 following language:

28 Shall the transportation development district of \_\_\_\_\_  
29 (transportation development district's name) impose a  
30 transportation development district-wide sales tax at the rate of  
31 \_\_\_\_\_ (insert amount) for a period of \_\_\_\_\_ (insert number) years  
32 from the date on which such tax is first imposed for the purpose of  
33 \_\_\_\_\_ (insert transportation development purpose)?

34  YES  NO

35 If you are in favor of the question, place an "X" in the box opposite  
36 "YES". If you are opposed to the question, place an "X" in the box  
37 opposite "NO".

38 If a majority of the votes cast on the proposal by the qualified voters voting  
39 thereon are in favor of the proposal, then the resolution and any amendments  
40 thereto shall be in effect **as provided by subsection 19 of section 32.087**. If  
41 a majority of the votes cast by the qualified voters voting are opposed to the  
42 proposal, then the board of directors of the transportation development district  
43 shall have no power to impose the sales tax authorized by this section unless and  
44 until the board of directors of the transportation development district shall again  
45 have submitted another proposal to authorize it to impose the sales tax pursuant  
46 to the provisions of this section and such proposal is approved by a majority of  
47 the qualified voters voting thereon.

48 (3) [The sales tax authorized by this section shall become effective on the  
49 first day of the second calendar quarter after the department of revenue receives

50 notification of the tax.

51 (4) In each transportation development district in which a sales tax has  
52 been imposed in the manner provided by this section, every retailer shall add the  
53 tax imposed by the transportation development district pursuant to this section  
54 to the retailer's sale price, and when so added such tax shall constitute a part of  
55 the price, shall be a debt of the purchaser to the retailer until paid, and shall be  
56 recoverable at law in the same manner as the purchase price.

57 (5) In order to permit sellers required to collect and report the sales tax  
58 authorized by this section to collect the amount required to be reported and  
59 remitted, but not to change the requirements of reporting or remitting tax or to  
60 serve as a levy of the tax, and in order to avoid fractions of pennies, the  
61 transportation development district may establish appropriate brackets which  
62 shall be used in the district imposing a tax pursuant to this section in lieu of  
63 those brackets provided in section 144.285.

64 (6)] All revenue received by a transportation development district from the  
65 tax authorized by this section which has been designated for a certain  
66 transportation development purpose shall be deposited in a special trust fund and  
67 shall be used solely for such designated purpose. Upon the expiration of the  
68 period of years approved by the qualified voters pursuant to subdivision (2) of this  
69 subsection or if the tax authorized by this section is repealed pursuant to  
70 subsection 6 of this section, all funds remaining in the special trust fund shall  
71 continue to be used solely for such designated transportation development  
72 purpose. Any funds in such special trust fund which are not needed for current  
73 expenditures may be invested by the board of directors in accordance with  
74 applicable laws relating to the investment of other transportation development  
75 district funds.

76 [(7)] (4) The sales tax may be imposed in increments of one-eighth of one  
77 percent, up to a maximum of one percent on the receipts from the sale at retail  
78 of all tangible personal property or taxable services at retail within the  
79 transportation development district adopting such tax, if such property and  
80 services are subject to taxation by the state of Missouri pursuant to [the  
81 provisions of sections 144.010 to 144.525] **chapter 144**, except such  
82 transportation development district sales tax shall not apply to the sale or use of  
83 motor vehicles, trailers, boats or outboard motors [nor to public utilities]. Any  
84 transportation development district sales tax imposed pursuant to this section  
85 shall be imposed at a rate that shall be uniform throughout the district.

86           2. The resolution imposing the sales tax pursuant to this section shall  
87 impose upon all sellers a tax for the privilege of engaging in the business of  
88 selling tangible personal property or rendering taxable services at retail to the  
89 extent and in the manner provided [in sections 144.010 to 144.525] **under**  
90 **chapter 144**, and the rules and regulations of the director of revenue issued  
91 pursuant thereto; except that the rate of the tax shall be the rate imposed by the  
92 resolution as the sales tax and the tax shall be reported and returned to and  
93 collected by the transportation development district.

94           3. [On and after the effective date of any tax imposed pursuant to this  
95 section, the director of revenue shall perform all functions incident to the  
96 administration, collection, enforcement, and operation of the tax, and the director  
97 of revenue shall collect, in addition to all other sales taxes imposed by law, the  
98 additional tax authorized pursuant to this section. The tax imposed pursuant to  
99 this section and the taxes imposed pursuant to all other laws of the state of  
100 Missouri shall be collected together and reported upon such forms and pursuant  
101 to such administrative rules and regulations as may be prescribed by the director  
102 of revenue.

103           4. (1) All applicable provisions contained in sections 144.010 to 144.525,  
104 governing the state sales tax, sections 32.085 and 32.087 and section 32.057, the  
105 uniform confidentiality provision, shall apply to the collection of the tax imposed  
106 by this section, except as modified in this section.

107           (2) All exemptions granted to agencies of government, organizations,  
108 persons and to the sale of certain articles and items of tangible personal property  
109 and taxable services pursuant to the provisions of sections 144.010 to 144.525 are  
110 hereby made applicable to the imposition and collection of the tax imposed by this  
111 section.

112           (3) The same sales tax permit, exemption certificate and retail certificate  
113 required by sections 144.010 to 144.525 for the administration and collection of  
114 the state sales tax shall satisfy the requirements of this section, and no  
115 additional permit or exemption certificate or retail certificate shall be required;  
116 except that the transportation development district may prescribe a form of  
117 exemption certificate for an exemption from the tax imposed by this section.

118           (4) All discounts allowed the retailer pursuant to the provisions of the  
119 state sales tax laws for the collection of and for payment of taxes pursuant to  
120 such laws are hereby allowed and made applicable to any taxes collected pursuant  
121 to the provisions of this section.

122 (5) The penalties provided in section 32.057 and sections 144.010 to  
123 144.525 for violation of those sections are hereby made applicable to violations  
124 of this section.

125 (6) For the purpose of a sales tax imposed by a resolution pursuant to this  
126 section, all retail sales except retail sales of motor vehicles shall be deemed to be  
127 consummated at the place of business of the retailer unless the tangible personal  
128 property sold is delivered by the retailer or the retailer's agent to an out-of-state  
129 destination or to a common carrier for delivery to an out-of-state destination. In  
130 the event a retailer has more than one place of business in this state which  
131 participates in the sale, the sale shall be deemed to be consummated at the place  
132 of business of the retailer where the initial order for the tangible personal  
133 property is taken, even though the order must be forwarded elsewhere for  
134 acceptance, approval of credit, shipment or billing. A sale by a retailer's  
135 employee shall be deemed to be consummated at the place of business from which  
136 the employee works.

137 5.] All sales taxes received by the transportation development district shall  
138 be deposited by the director of revenue in a special fund to be expended for the  
139 purposes authorized in this section. The director of revenue shall keep accurate  
140 records of the amount of money which was collected pursuant to this section, and  
141 the records shall be open to the inspection of officers of each transportation  
142 development district and the general public.

143 [6.] 4. (1) No transportation development district imposing a sales tax  
144 pursuant to this section may repeal or amend such sales tax unless such repeal  
145 or amendment will not impair the district's ability to repay any liabilities which  
146 it has incurred, money which it has borrowed or revenue bonds, notes or other  
147 obligations which it has issued or which have been issued by the commission or  
148 any local transportation authority to finance any project or projects.

149 (2) Whenever the board of directors of any transportation development  
150 district in which a transportation development sales tax has been imposed in the  
151 manner provided by this section receives a petition, signed by ten percent of the  
152 qualified voters calling for an election to repeal such transportation development  
153 sales tax, the board of directors shall, if such repeal will not impair the district's  
154 ability to repay any liabilities which it has incurred, money which it has borrowed  
155 or revenue bonds, notes or other obligations which it has issued or which have  
156 been issued by the commission or any local transportation authority to finance  
157 any project or projects, submit to the qualified voters of such transportation

158 development district a proposal to repeal the transportation development sales  
159 tax imposed pursuant to the provisions of this section. If a majority of the votes  
160 cast on the proposal by the qualified voters voting thereon are in favor of the  
161 proposal to repeal the transportation development sales tax, then the resolution  
162 imposing the transportation development sales tax, along with any amendments  
163 thereto, is repealed **as provided by subsection 19 of section 32.087**. If a  
164 majority of the votes cast by the qualified voters voting thereon are opposed to  
165 the proposal to repeal the transportation development sales tax, then the  
166 ordinance or resolution imposing the transportation development sales tax, along  
167 with any amendments thereto, shall remain in effect.

168 [7.] **5.** Notwithstanding any provision of sections 99.800 to 99.865 and  
169 this section to the contrary, the sales tax imposed by a district whose project is  
170 a public mass transportation system shall not be considered economic activity  
171 taxes as such term is defined under sections 99.805 and 99.918 and shall not be  
172 subject to allocation under the provisions of subsection 3 of section 99.845, or  
173 subsection 4 of section 99.957.

174 **6.** After the effective date of any tax imposed under the  
175 provisions of this section, the director of revenue shall perform all  
176 functions incident to the administration, collection, enforcement, and  
177 operation of the tax and collect, in addition to the sales tax for the  
178 state of Missouri, the additional tax authorized under the authority of  
179 this section. The tax imposed under this section and the tax imposed  
180 under the sales tax law of the state of Missouri shall be collected  
181 together and reported upon such forms and under such administrative  
182 rules and regulations as may be prescribed by the director of revenue.

183 **7.** Except as provided in this section, all provisions of sections  
184 **32.085 to 32.087 shall apply to the tax imposed under this section.**

238.410. 1. Any county transit authority established pursuant to section  
2 238.400 may impose a sales tax of up to one percent on all retail sales made in  
3 such county which are subject to taxation under [the provisions of sections  
4 144.010 to 144.525] **chapter 144**. The tax authorized by this section shall be in  
5 addition to any and all other sales taxes allowed by law, except that no sales tax  
6 imposed under the provisions of this section shall be effective unless the  
7 governing body of the county, on behalf of the transit authority, submits to the  
8 voters of the county, at a county or state general, primary or special election, a  
9 proposal to authorize the transit authority to impose a tax.

10           2. The ballot of submission shall contain, but need not be limited to, the  
11 following language:

12           Shall the \_\_\_\_\_ Transit Authority impose a countywide sales tax  
13 of \_\_\_\_\_ (insert amount) in order to provide revenues for the  
14 operation of transportation facilities operated by the transit  
15 authority?

16                                    YES                                    NO

17           If you are in favor of the question, place an "X" in the box opposite  
18 "YES". If you are opposed to the question, place an "X" in the box  
19 opposite "NO".

20 If a majority of the votes cast on the proposal by the qualified voters voting  
21 thereon are in favor of the proposal, then the tax shall become effective [on the  
22 first day of the second calendar quarter following notification to the department  
23 of revenue of adoption of the tax] **as provided by subsection 19 of section**  
24 **32.087**. If a majority of the votes cast by the qualified voters voting are opposed  
25 to the proposal, then the transit authority shall have no power to impose the  
26 sales tax authorized by this section unless and until another proposal to  
27 authorize the transit authority to impose the sales tax authorized by this section  
28 has been submitted and such proposal is approved by a majority of the qualified  
29 voters voting thereon.

30           3. All revenue received by the transit authority from the tax authorized  
31 under the provisions of this section shall be deposited in a special trust fund and  
32 shall be used solely by the transit authority for construction, purchase, lease,  
33 maintenance and operation of transportation facilities located within the county  
34 for so long as the tax shall remain in effect. Any funds in such special trust fund  
35 which are not needed for current expenditures may be invested by the transit  
36 authority in accordance with applicable laws relating to the investment of county  
37 funds.

38           4. No transit authority imposing a sales tax pursuant to this section may  
39 repeal or amend such sales tax unless such repeal or amendment is submitted to  
40 and approved by the voters of the county in the same manner as provided in  
41 subsection 1 of this section for approval of such tax. Whenever the governing  
42 body of any county in which a sales tax has been imposed in the manner provided  
43 by this section receives a petition, signed by ten percent of the registered voters  
44 of such county voting in the last gubernatorial election, calling for an election to  
45 repeal such sales tax, the governing body shall submit to the voters of such

46 county a proposal to repeal the sales tax imposed under the provisions of this  
47 section. If a majority of the votes cast on the proposal by the registered voters  
48 voting thereon are in favor of the proposal to repeal the sales tax, then such sales  
49 tax is repealed **as provided by subsection 19 of section 32.087**. If a majority  
50 of the votes cast by the registered voters voting thereon are opposed to the  
51 proposal to repeal the sales tax, then such sales tax shall remain in effect.

52         5. The sales tax imposed under the provisions of this section shall impose  
53 upon all sellers a tax for the privilege of engaging in the business of selling  
54 tangible personal property or rendering taxable services at retail to the extent  
55 and in the manner provided in [sections 144.010 to 144.525] **chapter 144** and  
56 the rules and regulations of the director of revenue issued pursuant thereto;  
57 except that the rate of the tax shall be the rate approved pursuant to this  
58 section. The amount reported and returned to the director of revenue by the  
59 seller shall be computed on the basis of the combined rate of the tax imposed by  
60 [sections 144.010 to 144.525] **chapter 144** and the tax imposed by this section,  
61 plus any amounts imposed under other provisions of law.

62         6. After the effective date of any tax imposed under the provisions of this  
63 section, the director of revenue shall perform all functions incident to the  
64 administration, collection, enforcement, and operation of the tax, and the director  
65 of revenue shall collect in addition to the sales tax for the state of Missouri the  
66 additional tax authorized under the authority of this section. The tax imposed  
67 under this section and the tax imposed under the sales tax law of the state of  
68 Missouri shall be collected together and reported upon such forms and under such  
69 administrative rules and regulations as may be prescribed by the director of  
70 revenue. In order to permit sellers required to collect and report the sales tax to  
71 collect the amount required to be reported and remitted, but not to change the  
72 requirements of reporting or remitting tax or to serve as a levy of the tax, and in  
73 order to avoid fractions of pennies, the applicable provisions of section 144.285  
74 shall apply to all taxable transactions.

75         7. All applicable provisions contained in [sections 144.010 to 144.525]  
76 **chapter 144** governing the state sales tax and section 32.057, the uniform  
77 confidentiality provision, shall apply to the collection of the tax imposed by this  
78 section, except as modified in this section. All exemptions granted to agencies of  
79 government, organizations, persons and to the sale of certain articles and items  
80 of tangible personal property and taxable services under the provisions of  
81 [sections 144.010 to 144.525] **chapter 144** are hereby made applicable to the

82 imposition and collection of the tax imposed by this section. The same sales tax  
83 permit, exemption certificate and retail certificate required by [sections 144.010  
84 to 144.525] **chapter 144** for the administration and collection of the state sales  
85 tax shall satisfy the requirements of this section, and no additional permit or  
86 exemption certificate or retail certificate shall be required; except that the  
87 director of revenue may prescribe a form of exemption certificate for an exemption  
88 from the tax imposed by this section. All discounts allowed the retailer under the  
89 provisions of the state sales tax law for the collection of and for payment of taxes  
90 under chapter 144 are hereby allowed and made applicable to any taxes collected  
91 under the provisions of this section. The penalties provided in section 32.057 and  
92 sections 144.010 to 144.525 for a violation of those sections are hereby made  
93 applicable to violations of this section.

94 8. [For the purposes of a sales tax imposed pursuant to this section, all  
95 retail sales shall be deemed to be consummated at the place of business of the  
96 retailer, except for tangible personal property sold which is delivered by the  
97 retailer or his agent to an out-of-state destination or to a common carrier for  
98 delivery to an out-of-state destination and except for the sale of motor vehicles,  
99 trailers, boats and outboard motors, which is provided for in subsection 12 of this  
100 section. In the event a retailer has more than one place of business in this state  
101 which participates in the sale, the sale shall be deemed to be consummated at the  
102 place of business of the retailer where the initial order for the tangible personal  
103 property is taken, even though the order must be forwarded elsewhere for  
104 acceptance, approval of credit, shipment or billing. A sale by a retailer's  
105 employee shall be deemed to be consummated at the place of business from which  
106 he works.

107 9.] All sales taxes collected by the director of revenue under this section  
108 on behalf of any transit authority[, less one percent for cost of collection which  
109 shall be deposited in the state's general revenue fund after payment of premiums  
110 for surety bonds as provided in this section,] shall be deposited in the state  
111 treasury in a special trust fund, which is hereby created, to be known as the  
112 "County Transit Authority Sales Tax Trust Fund". [The moneys in the county  
113 transit authority sales tax trust fund shall not be deemed to be state funds and  
114 shall not be commingled with any funds of the state.] The director of revenue  
115 shall keep accurate records of the amount of money in the trust fund which was  
116 collected in each transit authority imposing a sales tax under this section, and  
117 the records shall be open to the inspection of officers of the county and the

118 public. Not later than the tenth day of each month the director of revenue shall  
119 distribute all moneys deposited in the trust fund during the preceding month to  
120 the transit authority which levied the tax.

121 [10.] 9. The director of revenue may authorize the state treasurer to  
122 make refunds from the amounts in the trust fund and credited to any transit  
123 authority for erroneous payments and overpayments made, and may authorize the  
124 state treasurer to redeem dishonored checks and drafts deposited to the credit of  
125 such transit authorities. If any transit authority abolishes the tax, the transit  
126 authority shall notify the director of revenue of the action [at least ninety days  
127 prior to the effective date of the repeal] and the director of revenue may order  
128 retention in the trust fund, for a period of one year, of two percent of the amount  
129 collected after receipt of such notice to cover possible refunds or overpayment of  
130 the tax and to redeem dishonored checks and drafts deposited to the credit of  
131 such accounts. After one year has elapsed after the effective date of abolition of  
132 the tax in such transit authority, the director of revenue shall authorize the state  
133 treasurer to remit the balance in the account to the transit authority and close  
134 the account of that transit authority. The director of revenue shall notify each  
135 transit authority of each instance of any amount refunded or any check redeemed  
136 from receipts due the transit authority. The director of revenue shall annually  
137 report on his management of the trust fund and administration of the sales taxes  
138 authorized by this section. He shall provide each transit authority imposing the  
139 tax authorized by this section with a detailed accounting of the source of all funds  
140 received by him for the transit authority.

141 [11.] 10. The director of revenue and any of his deputies, assistants and  
142 employees who shall have any duties or responsibilities in connection with the  
143 collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting,  
144 or recording of funds which come into the hands of the director of revenue under  
145 the provisions of this section shall enter a surety bond or bonds payable to any  
146 and all transit authorities in whose behalf such funds have been collected under  
147 this section in the amount of one hundred thousand dollars; but the director of  
148 revenue may enter into a blanket bond or bonds covering himself and all such  
149 deputies, assistants and employees. The cost of the premium or premiums for the  
150 surety bond or bonds shall be paid by the director of revenue from the share of  
151 the collection retained by the director of revenue for the benefit of the state.

152 [12.] 11. Sales taxes imposed pursuant to this section and use taxes on  
153 the purchase and sale of motor vehicles, trailers, boats, and outboard motors shall

154 not be collected and remitted by the seller, but shall be collected by the director  
155 of revenue at the time application is made for a certificate of title, if the address  
156 of the applicant is within a county where a sales tax is imposed under this  
157 section. The amounts so collected, less the one percent collection cost, shall be  
158 deposited in the county transit authority sales tax trust fund. The purchase or  
159 sale of motor vehicles, trailers, boats, and outboard motors shall be deemed to be  
160 consummated at the address of the applicant. As used in this subsection, the  
161 term "boat" shall only include motorboats and vessels as the terms "motorboat"  
162 and "vessel" are defined in section 306.010.

163       [13.] **12.** In any county where the transit authority sales tax has been  
164 imposed, if any person is delinquent in the payment of the amount required to be  
165 paid by him under this section or in the event a determination has been made  
166 against him for taxes and penalty under this section, the limitation for bringing  
167 suit for the collection of the delinquent tax and penalty shall be the same as that  
168 provided in sections 144.010 to 144.525. Where the director of revenue has  
169 determined that suit must be filed against any person for the collection of  
170 delinquent taxes due the state under the state sales tax law, and where such  
171 person is also delinquent in payment of taxes under this section, the director of  
172 revenue shall notify the transit authority to which delinquent taxes are due  
173 under this section by United States registered mail or certified mail at least ten  
174 days before turning the case over to the attorney general. The transit authority,  
175 acting through its attorney, may join in such suit as a party plaintiff to seek a  
176 judgment for the delinquent taxes and penalty due such transit authority. In the  
177 event any person fails or refuses to pay the amount of any sales tax due under  
178 this section, the director of revenue shall promptly notify the transit authority to  
179 which the tax would be due so that appropriate action may be taken by the  
180 transit authority.

181       [14.] **13.** Where property is seized by the director of revenue under the  
182 provisions of any law authorizing seizure of the property of a taxpayer who is  
183 delinquent in payment of the tax imposed by the state sales tax law, and where  
184 such taxpayer is also delinquent in payment of any tax imposed by this section,  
185 the director of revenue shall permit the transit authority to join in any sale of  
186 property to pay the delinquent taxes and penalties due the state and to the  
187 transit authority under this section. The proceeds from such sale shall first be  
188 applied to all sums due the state, and the remainder, if any, shall be applied to  
189 all sums due such transit authority under this section.

190 [15. The transit authority created under the provisions of sections 238.400  
191 to 238.412 shall notify any and all affected businesses of the change in tax rate  
192 caused by the imposition of the tax authorized by sections 238.400 to 238.412.

193 16.] 14. In the event that any transit authority in any county with a  
194 charter form of government and with more than two hundred fifty thousand but  
195 fewer than three hundred fifty thousand inhabitants submits a proposal in any  
196 election to increase the sales tax under this section, and such proposal is  
197 approved by the voters, the county shall be reimbursed for the costs of submitting  
198 such proposal from the funds derived from the tax levied under this section.

199 **15. Except as provided in sections 238.400 to 238.412, all**  
200 **provisions of sections 32.085 to 32.087 shall apply to the tax imposed**  
201 **under sections 238.410 to 238.412.**

620.1350. 1. The words used in this section and sections 620.1355 and  
2 620.1360 shall, unless the context otherwise requires, have the meaning provided  
3 in subdivision (4) of subsection 2 of section 143.451, and in addition, the following  
4 words shall have the following meanings:

5 (1) "Department", the department of economic development;

6 (2) "Director", the director of the department of economic development.

7 2. An investment funds service corporation or S corporation, certified  
8 pursuant to this section and sections 620.1355 and 620.1360, may make an  
9 annual election to compute the portion of income derived from sources within this  
10 state either pursuant to section 143.451 or pursuant to section 32.200 relating to  
11 the multistate tax compact. The annual election shall be made by the filing of a  
12 corporate income tax return reflecting the use of such election and by filing a copy  
13 of the certificate issued by the director pursuant to the provisions of this section  
14 and sections 620.1355 and 620.1360. The annual election may be made  
15 regardless of whether the corporation filed its income tax return on a single  
16 entity basis or was included in a consolidated income tax return in any year.

17 **3. Notwithstanding the provisions of subsection 2 of this section**  
18 **to the contrary, for all tax years beginning on or after January 1, 2019,**  
19 **an investment funds service corporation or S corporation, certified**  
20 **pursuant to this section and sections 620.1355 and 620.1360, shall**  
21 **compute the portion of income derived from sources within this state**  
22 **pursuant to section 143.455.**

644.032. 1. The governing body of any municipality or county may  
2 impose, by ordinance or order, a sales tax in an amount not to exceed one-half of

3 one percent on all retail sales made in such municipality or county which are  
4 subject to taxation under the provisions of [sections 144.010 to 144.525] **chapter**  
5 **144**. The tax authorized by this section and section 644.033 shall be in addition  
6 to any and all other sales taxes allowed by law, except that no ordinance or order  
7 imposing a sales tax under the provisions of this section and section 644.033 shall  
8 be effective unless the governing body of the municipality or county submits to  
9 the voters of the municipality or county, at a municipal, county or state general,  
10 primary or special election, a proposal to authorize the governing body of the  
11 municipality or county to impose a tax, provided, that the tax authorized by this  
12 section shall not be imposed on the sales of food, as defined in section 144.014,  
13 when imposed by any county with a charter form of government and with more  
14 than one million inhabitants.

15 2. The ballot of submission shall contain, but need not be limited to, the  
16 following language:

17 Shall the municipality (county) of \_\_\_\_\_ impose a sales tax of  
18 \_\_\_\_\_ (insert amount) for the purpose of providing funding for  
19 \_\_\_\_\_ (insert either storm water control, or local parks, or storm  
20 water control and local parks) for the municipality (county)?

21  YES  NO

22 If a majority of the votes cast on the proposal by the qualified voters voting  
23 thereon are in favor of the proposal, then the ordinance or order and any  
24 amendments thereto shall [be in effect on the first day of the second quarter after  
25 the director of revenue receives notice of adoption of the tax] **become effective**  
26 **as provided in subsection 19 of section 32.087**. If a majority of the votes  
27 cast by the qualified voters voting are opposed to the proposal, then the governing  
28 body of the municipality or county shall not impose the sales tax authorized in  
29 this section and section 644.033 until the governing body of the municipality or  
30 county resubmits another proposal to authorize the governing body of the  
31 municipality or county to impose the sales tax authorized by this section and  
32 section 644.033 and such proposal is approved by a majority of the qualified  
33 voters voting thereon; however, in no event shall a proposal pursuant to this  
34 section and section 644.033 be submitted to the voters sooner than twelve months  
35 from the date of the last proposal pursuant to this section and section 644.033.

36 3. All revenue received by a municipality or county from the tax  
37 authorized under the provisions of this section and section 644.033 shall be  
38 deposited in a special trust fund and shall be used to provide funding for storm

39 water control or for local parks, or both, within such municipality or county,  
40 provided that such revenue may be used for local parks outside such municipality  
41 or county if the municipality or county is engaged in a cooperative agreement  
42 pursuant to section 70.220.

43 4. Any funds in such special trust fund which are not needed for current  
44 expenditures may be invested by the governing body in accordance with  
45 applicable laws relating to the investment of other municipal or county funds.

46 **5. Except as provided by this section, all provisions of sections**  
47 **32.085 to 32.087 shall apply to the tax imposed under this section.**

[66.601. The duties of the director of revenue with respect  
2 to the allocation, division and distribution of sales and use tax  
3 proceeds determined to be due any county of the first classification  
4 having a charter form of government and having a population of  
5 nine hundred thousand or more inhabitants and all municipalities  
6 within such county, resulting from taxes levied or imposed under  
7 the authority of sections 66.600 to 66.630, section 144.748, and  
8 sections 94.850 to 94.857, may be delegated to the county levying  
9 the county sales tax under sections 66.600 to 66.630, at the  
10 discretion of the director of revenue and with the consent of the  
11 county. Notwithstanding the provisions of section 32.057 to the  
12 contrary, if such duties are so assigned, the director of revenue  
13 shall furnish the county with sufficient information to perform such  
14 duties in such form as may be agreed upon by the director and the  
15 county at no cost to the county. The county shall be bound by the  
16 provisions of section 32.057, and shall use any information  
17 provided by the director of revenue under the provisions of this  
18 section solely for the purpose of allocating, dividing and  
19 distributing such sales and use tax revenues. The county shall  
20 exercise all of the director's powers and duties with respect to such  
21 allocation, division and distribution, and shall receive no fee for  
22 carrying out such powers and duties.]

[67.1713. Beginning January 1, 2002, there is hereby  
2 specifically exempted from the tax imposed pursuant to section  
3 67.1712 all sales of food as defined by section 144.014.]

[67.1971. All entities remitting the sales tax authorized  
2 pursuant to section 67.1959 shall have their liability reduced by an

3 amount equal to twenty-five percent of any taxes collected and  
4 remitted pursuant to sections 94.802 to 94.805.]

[144.069. All sales taxes associated with the titling of motor  
2 vehicles, trailers, boats and outboard motors under the laws of  
3 Missouri shall be imposed at the rate in effect at the location of the  
4 address of the owner thereof, and all sales taxes associated with  
5 the titling of vehicles under leases of over sixty-day duration of  
6 motor vehicles, trailers, boats and outboard motors shall be  
7 imposed at the rate in effect, unless the vehicle, trailer, boat or  
8 motor has been registered and sales taxes have been paid prior to  
9 the consummation of the lease agreement at the location of the  
10 address of the lessee thereof on the date the lease is consummated,  
11 and all applicable sales taxes levied by any political subdivision  
12 shall be collected and remitted on such sales from the purchaser or  
13 lessee by the state department of revenue on that basis.]

[144.517. In addition to the exemptions granted pursuant  
2 to section 144.030, there shall also be exempted from state sales  
3 and use taxes all sales of textbooks, as defined by section 170.051,  
4 when such textbook is purchased by a student who possesses proof  
5 of current enrollment at any Missouri public or private university,  
6 college or other postsecondary institution of higher learning  
7 offering a course of study leading to a degree in the liberal arts,  
8 humanities or sciences or in a professional, vocational or technical  
9 field, provided that the books which are exempt from state sales  
10 tax are those required or recommended for a class. Upon request  
11 the institution or department must provide at least one list of  
12 textbooks to the bookstore each semester. Alternately, the student  
13 may provide to the bookstore a list from the instructor, department  
14 or institution of his or her required or recommended  
15 textbooks. This exemption shall not apply to any locally imposed  
16 sales or use tax.]

[144.605. The following words and phrases as used in  
2 sections 144.600 to 144.745 mean and include:

3 (1) "Calendar quarter", the period of three consecutive  
4 calendar months ending on March thirty-first, June thirtieth,  
5 September thirtieth or December thirty-first;

6 (2) "Engages in business activities within this state"  
7 includes:

8 (a) Maintaining or having a franchisee or licensee operating  
9 under the seller's trade name in this state if the franchisee or  
10 licensee is required to collect sales tax pursuant to sections 144.010  
11 to 144.525;

12 (b) Soliciting sales or taking orders by sales agents or  
13 traveling representatives;

14 (c) A vendor is presumed to engage in business activities  
15 within this state if any person, other than a common carrier acting  
16 in its capacity as such, that has substantial nexus with this state:

17 a. Sells a similar line of products as the vendor and does so  
18 under the same or a similar business name;

19 b. Maintains an office, distribution facility, warehouse, or  
20 storage place, or similar place of business in the state to facilitate  
21 the delivery of property or services sold by the vendor to the  
22 vendor's customers;

23 c. Delivers, installs, assembles, or performs maintenance  
24 services for the vendor's customers within the state;

25 d. Facilitates the vendor's delivery of property to customers  
26 in the state by allowing the vendor's customers to pick up property  
27 sold by the vendor at an office, distribution facility, warehouse,  
28 storage place, or similar place of business maintained by the person  
29 in the state; or

30 e. Conducts any other activities in the state that are  
31 significantly associated with the vendor's ability to establish and  
32 maintain a market in the state for the sales;

33 (d) The presumption in paragraph (c) may be rebutted by  
34 demonstrating that the person's activities in the state are not  
35 significantly associated with the vendor's ability to establish or  
36 maintain a market in this state for the vendor's sales;

37 (e) Notwithstanding paragraph (c), a vendor shall be  
38 presumed to engage in business activities within this state if the  
39 vendor enters into an agreement with one or more residents of this  
40 state under which the resident, for a commission or other  
41 consideration, directly or indirectly refers potential customers,

42 whether by a link on an internet website, an in-person oral  
43 presentation, telemarketing, or otherwise, to the vendor, if the  
44 cumulative gross receipts from sales by the vendor to customers in  
45 the state who are referred to the vendor by all residents with this  
46 type of an agreement with the vendor is in excess of ten thousand  
47 dollars during the preceding twelve months;

48 (f) The presumption in paragraph (e) may be rebutted by  
49 submitting proof that the residents with whom the vendor has an  
50 agreement did not engage in any activity within the state that was  
51 significantly associated with the vendor's ability to establish or  
52 maintain the vendor's market in the state during the preceding  
53 twelve months. Such proof may consist of sworn written  
54 statements from all of the residents with whom the vendor has an  
55 agreement stating that they did not engage in any solicitation in  
56 the state on behalf of the vendor during the preceding year  
57 provided that such statements were provided and obtained in good  
58 faith;

59 (3) "Maintains a place of business in this state" includes  
60 maintaining, occupying, or using, permanently or temporarily,  
61 directly or indirectly, by whatever name called, an office, place of  
62 distribution, sales or sample room or place, warehouse or storage  
63 place, or other place of business in this state, whether owned or  
64 operated by the vendor or by any other person other than a  
65 common carrier acting in its capacity as such;

66 (4) "Person", any individual, firm, copartnership, joint  
67 venture, association, corporation, municipal or private, and  
68 whether organized for profit or not, state, county, political  
69 subdivision, state department, commission, board, bureau or  
70 agency, except the state transportation department, estate, trust,  
71 business trust, receiver or trustee appointed by the state or federal  
72 court, syndicate, or any other group or combination acting as a  
73 unit, and the plural as well as the singular number;

74 (5) "Purchase", the acquisition of the ownership of, or title  
75 to, tangible personal property, through a sale, as defined herein, for  
76 the purpose of storage, use or consumption in this state;

77 (6) "Purchaser", any person who is the recipient for a

78 valuable consideration of any sale of tangible personal property  
79 acquired for use, storage or consumption in this state;

80 (7) "Sale", any transfer, barter or exchange of the title or  
81 ownership of tangible personal property, or the right to use, store  
82 or consume the same, for a consideration paid or to be paid, and  
83 any transaction whether called leases, rentals, bailments, loans,  
84 conditional sales or otherwise, and notwithstanding that the title  
85 or possession of the property or both is retained for security. For  
86 the purpose of this law the place of delivery of the property to the  
87 purchaser, user, storer or consumer is deemed to be the place of  
88 sale, whether the delivery be by the vendor or by common carriers,  
89 private contractors, mails, express, agents, salesmen, solicitors,  
90 hawkers, representatives, consignors, peddlers, canvassers or  
91 otherwise;

92 (8) "Sales price", the consideration including the charges for  
93 services, except charges incident to the extension of credit, paid or  
94 given, or contracted to be paid or given, by the purchaser to the  
95 vendor for the tangible personal property, including any services  
96 that are a part of the sale, valued in money, whether paid in money  
97 or otherwise, and any amount for which credit is given to the  
98 purchaser by the vendor, without any deduction therefrom on  
99 account of the cost of the property sold, the cost of materials used,  
100 labor or service cost, losses or any other expenses whatsoever,  
101 except that cash discounts allowed and taken on sales shall not be  
102 included and "sales price" shall not include the amount charged for  
103 property returned by customers upon rescission of the contract of  
104 sales when the entire amount charged therefor is refunded either  
105 in cash or credit or the amount charged for labor or services  
106 rendered in installing or applying the property sold, the use,  
107 storage or consumption of which is taxable pursuant to sections  
108 144.600 to 144.745. The sales price shall not include usual and  
109 customary delivery charges that are separately stated. In  
110 determining the amount of tax due pursuant to sections 144.600 to  
111 144.745, any charge incident to the extension of credit shall be  
112 specifically exempted;

113 (9) "Selling agent", every person acting as a representative

114 of a principal, when such principal is not registered with the  
115 director of revenue of the state of Missouri for the collection of the  
116 taxes imposed pursuant to sections 144.010 to 144.525 or sections  
117 144.600 to 144.745 and who receives compensation by reason of the  
118 sale of tangible personal property of the principal, if such property  
119 is to be stored, used, or consumed in this state;

120 (10) "Storage", any keeping or retention in this state of  
121 tangible personal property purchased from a vendor, except  
122 property for sale or property that is temporarily kept or retained  
123 in this state for subsequent use outside the state;

124 (11) "Tangible personal property", all items subject to the  
125 Missouri sales tax as provided in subdivisions (1) and (3) of section  
126 144.020;

127 (12) "Taxpayer", any person remitting the tax or who should  
128 remit the tax levied by sections 144.600 to 144.745;

129 (13) "Use", the exercise of any right or power over tangible  
130 personal property incident to the ownership or control of that  
131 property, except that it does not include the temporary storage of  
132 property in this state for subsequent use outside the state, or the  
133 sale of the property in the regular course of business;

134 (14) "Vendor", every person engaged in making sales of  
135 tangible personal property by mail order, by advertising, by agent  
136 or peddling tangible personal property, soliciting or taking orders  
137 for sales of tangible personal property, for storage, use or  
138 consumption in this state, all salesmen, solicitors, hawkers,  
139 representatives, consignees, peddlers or canvassers, as agents of  
140 the dealers, distributors, consignors, supervisors, principals or  
141 employers under whom they operate or from whom they obtain the  
142 tangible personal property sold by them, and every person who  
143 maintains a place of business in this state, maintains a stock of  
144 goods in this state, or engages in business activities within this  
145 state and every person who engages in this state in the business of  
146 acting as a selling agent for persons not otherwise vendors as  
147 defined in this subdivision. Irrespective of whether they are  
148 making sales on their own behalf or on behalf of the dealers,  
149 distributors, consignors, supervisors, principals or employers, they

150 must be regarded as vendors and the dealers, distributors,  
151 consignors, supervisors, principals or employers must be regarded  
152 as vendors for the purposes of sections 144.600 to 144.745.]

2 [144.1000. Sections 144.1000 to 144.1015 shall be known as  
3 and referred to as the "Simplified Sales and Use Tax  
4 Administration Act".]

5 [144.1003. As used in sections 144.1000 to 144.1015, the  
6 following terms shall mean:

7 (1) "Agreement", the streamlined sales and use tax  
8 agreement;

9 (2) "Certified automated system", software certified jointly  
10 by the states that are signatories to the agreement to calculate the  
11 tax imposed by each jurisdiction on a transaction, determine the  
12 amount of tax to remit to the appropriate state and maintain a  
13 record of the transaction;

14 (3) "Certified service provider", an agent certified jointly by  
15 the states that are signatories to the agreement to perform all of  
16 the seller's sales tax functions;

17 (4) "Person", an individual, trust, estate, fiduciary,  
18 partnership, limited liability company, limited liability partnership,  
19 corporation or any other legal entity;

20 (5) "Sales tax", any sales tax levied pursuant to this  
21 chapter, section 32.085, or any other sales tax authorized by  
22 statute and levied by this state or its political subdivisions;

23 (6) "Seller", any person making sales, leases or rentals of  
24 personal property or services;

25 (7) "State", any state of the United States and the District  
26 of Columbia;

27 (8) "Use tax", the use tax levied pursuant to this chapter.]

28 [144.1006. For the purposes of reviewing and, if necessary,  
29 amending the agreement embodying the simplification  
30 recommendations contained in section 144.1015, the state may  
31 enter into multistate discussions. For purposes of such discussions,  
32 the state shall be represented by seven delegates, one of whom  
33 shall be appointed by the governor, two members appointed by the  
34 speaker of the house of representatives, one member appointed by

8 the minority leader of the house of representatives, two members  
9 appointed by the president pro tempore of the senate and one  
10 member appointed by the minority leader of the senate. The  
11 delegates need not be members of the general assembly and at  
12 least one of the delegates appointed by the speaker of the house of  
13 representatives and one member appointed by the president pro  
14 tempore of the senate shall be from the private sector and  
15 represent the interests of Missouri businesses. The delegates shall  
16 recommend to the committees responsible for reviewing tax issues  
17 in the senate and the house of representatives each year any  
18 amendment of state statutes required to be substantially in  
19 compliance with the agreement. Such delegates shall make a  
20 written report by the fifteenth day of January each year regarding  
21 the status of the multistate discussions and upon final adoption of  
22 the terms of the sales and use tax agreement by the multistate  
23 body.]

[144.1009. No provision of the agreement authorized by  
2 sections 144.1000 to 144.1015 in whole or in part invalidates or  
3 amends any provision of the law of this state. Implementation of  
4 any condition of this agreement in this state, whether adopted  
5 before, at, or after membership of this state in the agreement, must  
6 be by action of the general assembly. Such report shall be  
7 delivered to the governor, the secretary of state, the president pro  
8 tempore of the senate and the speaker of the house of  
9 representatives and shall simultaneously be made publicly  
10 available by the secretary of state to any person requesting a copy.]

[144.1012. Unless five of the seven delegates agree, the  
2 delegates shall not enter into or vote for any streamlined sales and  
3 use tax agreement that:

4 (1) Requires adoption of a definition of any term that would  
5 cause any item or transaction that is now excluded or exempted  
6 from sales or use tax to become subject to sales or use tax;

7 (2) Requires the state of Missouri to fully exempt or fully  
8 apply sales taxes to the sale of food or any other item;

9 (3) Restricts the ability of local governments under statutes  
10 in effect on August 28, 2002, to enact one or more local taxes on

11 one or more items without application of the tax to all sales within  
12 the taxing jurisdiction, however, restriction of any such taxes  
13 allowed by statutes effective after August 28, 2002, may be  
14 supported;

15 (4) Provides for adoption of any uniform rate structure that  
16 would result in a tax increase for any Missouri taxpayer;

17 (5) Affects the sourcing of sales tax transactions; or

18 (6) Prohibits limitations or thresholds on the application of  
19 sales and use tax rates or prohibits any current sales or use tax  
20 exemption in the state of Missouri, including exemptions that are  
21 based on the value of the transaction or item.]

[144.1015. In addition to the requirements of section  
2 144.1012, the delegates should consider the following features  
3 when deciding whether or not to enter into any streamlined sales  
4 and use tax agreement:

5 (1) The agreement should address the limitation of the  
6 number of state rates over time;

7 (2) The agreement should establish uniform standards for  
8 administration of exempt sales and the form used for filing sales  
9 and use tax returns and remittances;

10 (3) The agreement should require the state to provide a  
11 central, electronic registration system that allows a seller to  
12 register to collect and remit sales and use taxes for all signatory  
13 states;

14 (4) The agreement should provide that registration with the  
15 central registration system and the collection of sales and use taxes  
16 in the signatory states will not be used as a factor in determining  
17 whether the seller has nexus with a state for any tax;

18 (5) The agreement should provide for reduction of the  
19 burdens of complying with local sales and use taxes through the  
20 following so long as they do not conflict with the provisions of  
21 section 144.1012:

22 (a) Restricting variances between the state and local tax  
23 bases;

24 (b) Requiring states to administer any sales and use taxes  
25 levied by local jurisdictions within the state so that sellers

26 collecting and remitting these taxes will not have to register or file  
27 returns with, remit funds to, or be subject to independent audits  
28 from local taxing jurisdictions;

29 (c) Restricting the frequency of changes in the local sales  
30 and use tax rates and setting effective dates for the application of  
31 local jurisdictional boundary changes to local sales and use taxes;  
32 and

33 (d) Providing notice of changes in local sales and use tax  
34 rates and of changes in the boundaries of local taxing jurisdictions;

35 (6) The agreement should outline any monetary allowances  
36 that are to be provided by the states to sellers or certified service  
37 providers. The agreement must allow for a joint public and private  
38 sector study of the compliance cost on sellers and certified service  
39 providers to collect sales and use taxes for state and local  
40 governments under various levels of complexity to be completed by  
41 July 1, 2003;

42 (7) The agreement should require each state to certify  
43 compliance with the terms of the agreement prior to joining and to  
44 maintain compliance, under the laws of the member state, with all  
45 provisions of the agreement while a member, only if the agreement  
46 and any amendment thereto complies with the provisions of section  
47 144.1012;

48 (8) The agreement should require each state to adopt a  
49 uniform policy for certified service providers that protects the  
50 privacy of consumers and maintains the confidentiality of tax  
51 information; and

52 (9) The agreement should provide for the appointment of an  
53 advisory council of private sector representatives and an advisory  
54 council of nonmember state representatives to consult with in the  
55 administration of the agreement.]

Section B. The repeal and reenactment of sections 32.200, 142.803,  
2 143.011, 143.071, 143.151, 143.161, 143.171, 143.183, 143.431, 143.451, 143.461,  
3 143.471, 144.011, and 620.1350, and the enactment of sections 143.177, 143.455,  
4 and 148.622 of this act shall become effective July 1, 2019.

Section C. The repeal of sections 66.601, 67.1713, 67.1971, 144.069,  
2 144.517, 144.605, 144.1000, 144.1003, 144.1006, 144.1009, 144.1012, and

3 144.1015, the repeal and reenactment of sections 32.087, 66.620, 67.395, 67.525,  
4 67.571, 67.576, 67.578, 67.581, 67.582, 67.583, 67.584, 67.712, 67.713, 67.729,  
5 67.737, 67.738, 67.745, 67.782, 67.799, 67.997, 67.1300, 67.1303, 67.1305,  
6 67.1545, 67.1712, 67.1775, 67.1959, 67.2000, 67.2030, 67.2525, 67.2530, 94.578,  
7 94.605, 94.660, 94.705, 144.010, 144.014, 144.020, 144.030, 144.032, 144.049,  
8 144.054, 144.060, 144.080, 144.083, 144.100, 144.140, 144.190, 144.210, 144.285,  
9 144.526, 144.600, 144.655, 144.759, 144.761, 184.845, 221.407, 238.235, 238.410,  
10 and 644.032, and the enactment of sections 32.070, 32.086, 144.022, 144.079,  
11 144.082, 144.084, 144.105, 144.109, 144.110, 144.111, 144.112, 144.113, 144.114,  
12 144.123, 144.124, 144.125, 144.212, and 144.612 of this act, shall become  
13 effective on January 1, 2020, if on such date the director of the department of  
14 revenue determines that the state of Missouri is not able to require out-of-state  
15 sellers with no physical presence in the state to collect and remit state and local  
16 sales taxes.

✓

Bill

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